The Financial Post

20 cents

Canada's National Weekly of Business, Investment and Public Affairs.

Vol. XLIX Twenty Cents an issue, Six Dollars a Year ★ Publication Office: Toronto, December 3, 1955 ★ Member of Audit Bureau of Circulations No. 49

Insurance Supervisor

Although it numbers only ten, the Association of Superintendents of Insurance of the Provinces of Canada exercises far-reaching influence, its members being responsible for administering provincial insurance laws. The Association which plans revision of existing uniform provincial fire insurance legislation, at its 38th Conference in Quebec recently, chose Winnipeg-born, naval veteran Fred A. Swaine, Superintendent of Insurance for Manitoba as president.

THE NATION'S BUSINESS

The Coming Year Looks Good Indeed

In business offices across the land, 1956 budgets are now being finalized. What they portend for the coming year will soon be reported in detail to readers of The Financial Post.

About a year ago, a large group of Canadian firms, representative of all major types of industry and of all areas, gave The Post, in confidence, figures on how specifically they were forecasting their business. Over-all, their forecast proved to be remarkably accurate. Presently a similar survey is under way. But without waiting for the detailed forecast, it is, of course, possible to say 1956 looks very good. Nearly all elements making up the Gross National Product stand well compared with 1955.

That very critical factor which tells so much about the future business weather—new capital spending plans—continues strong. For 1955 private capital investment looks as if it will total $4,250 millions, a new record.

The McGraw-Hill survey puts the United States private capital investment program for 1956 at $33,400 millions, a gain of 13% over the indicated total for 1955. This is a truly tremendous figure with the most far-reaching implications for the U.S. economy as a whole but also for the Canadian economy because we are so powerfully influenced.

A 1956 increase in private capital spending in Canada of the same amount as in the U.S. would put our figure around $4,750 millions, close to double the 1949 total.

New housing starts is a figure that tells a great deal about family income and public psychology. This figure also tells much about forthcoming spendings on refrigerators, rugs, and a host of other things. Indications are that the housing boom will still roar on into the coming year.

The general level of company earnings for 1956 will be comparatively good with the prospect for better payouts good. Steel industries generally have more business than they can handle—but more capacity coming up to meet the demand. Textiles have been lagging for years, but generally will show improvement.

Pulp and paper, our largest industry, is bursting out all over. The important newsprint group will have new capacity of around 800,000 tons coming into operation during 1956 and 1957, thus substantially improving revenue and profit positions.

Stepping softly on the national credit brakes as the Bank of Canada did recently, seems like a very good idea. All in all, the general 1956 picture should be good enough to please anybody.

* * *

Poor Way to Shuffle Taxes

Matching grants made by federal to provincial governments, or by provinces to municipalities, are becoming one of the chief sources of friction between the various levels of government.

"Here's a million dollars. Match it with a million of your own and build yourselves a new road, or a bridge or a dam."

That sounds good, but is it?

What if the junior government at the end of the line needs a hospital more than it needs a road or a bridge or a dam? It's hard to turn down a million dollars or even a hundred thousand, but the effect is often to divert tax money from the things needed most to things for which a wait will do no harm.

A typical illustration of what can happen comes from the Toronto area this week. A suburban board of education has just discovered that it will cost local taxpayers substantially less to build a new school than to repair the present structure which would be good for years.

Renovation all charged to local ratepayers would cost $220 000. But a brand new school would only set them back $167,536 because the balance, some $360,000 would be provided in grants by senior governments. It's a safe bet the old school comes down.

This matching grant scheme is merely an admission that the present distribution of taxing powers as set down in our constitution 89 years ago is no longer realistic.

* * *

Far More Than Bay St. Concerned

A Post report from Ottawa last week gave an encouraging account of the way federal government thinking on provincial tax relations has developed since the evasive and indecisive conference of October.

If the Government turns this kind of thinking into policy, we may yet avoid abandonment of the virtues of the tax rental system as was at one time seriously threatened.

It is very important for all of us, for individuals and for corporations, for consumers and for producers, that the evils of conflicting tax jurisdictions should continue to be avoided.

The unconditional equalization payments, now planned, can be made to all the provinces — including Quebec — without throwing out the substance of tax uniformity.

The men who begat the so-called Plan C can congratulate themselves on that vital contribution to provincial relations.

But it seems that some of Mr. St. Laurent's official advisers are still maintaining the strangely perverse line to which The Winnipeg Free Press has given awkward voice That newspaper persuaded itself that nothing was at stake except the taxation of Ontario corporations; and it probably rejoiced in its phrase, "Bay Street can Look after Itself."

This is the most extraordinary misconception, particularly for a paper which professes to support private enterprise.

It isn't the convenience or the profits of a few rich corporations which are at stake. It is stability of all provincial revenues, the ability of the Federal Government to follow a consistent fiscal course, and the whole atmosphere of confidence in the business community which are profoundly affected.

Christmas Shoppers Cleaning the Shelves

Seasonal Buying Likely To Run 10% Over Last Year In Most Areas — All Businesses Report Booming Demand And Prospects

By DONALD R. GORDON

Canadian retailers are going to have to give money for Christmas. That's all most of them will have left in their stores after this year's buyers complete a shopping spree running more than 10% ahead of 1954. Coast-to-coast prosperity with excellent prospects for the New Year lie behind the record spending. And practically every branch of retail trade is sharing in the boom.

With the Christmas buying rush now in full stride, all indications point to total retail business well over the $13,000 millions mark for the year. Supplies of merchandise are plentiful in most lines, there's an excellent variety available to tempt buyers and prices are generally stable. In addition, most merchants have been able to direct their full attention to seasonal new stock because of excellent inventory clearance of fall lines.

There are some weak spots. Strikes have tied up plants in Oshawa, Toronto, London, Windsor, St. Catharines, Ont., and isolated shipping strikes are in progress on both coasts but the number of men out is the lowest in some months. On the Prairies and in Nova Scotia farmers are still facing marketing problems with big wheat and apple crops.

Elsewhere the picture is bright. Some of the indicators:

—Railway carloadings in Canada for the Jan. 1-Nov. 7 period are up 11.4% over last year at 3.481 million, reflecting increases in grain, iron ore, petroleum, coal, newsprint, and automobiles.

—Wages are running about 3% per employed worker higher than last year. Average weekly wage in manufacturing as of Oct. 31 was a healthy $57.99 with average weekly salaries up to $77.81.

—Exports, showing increases in minerals, metals, chemicals and food products, were a whopping $3,145 millions for January-September this year compared with $2,816 millions for the same period in 1954.

—Retail trade is running about 6% ahead on the year so far with the total to the end of September at $9,250 millions, up more than $500 millions over the same 1954 period.

—Consumer loans are running about 4% ahead of last year with most of the larger finance companies and the increase is forecast even greater for the balance of the year. Repayment records also are rated as "excellent."

Department stores, up about 11% on the year, posted a whopping 15.6% gain for the second week of November over 1954 comparable period and appear headed for all-time records.

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PRICES

(SEE BUSINESS TRENDS ON PAGE 2)

Lead continuing in firm demand with good possibility of ½c lb. general increase in next few weeks. Also considered likely that current Canadian price at 14¾c lb. will be upped to U.S. 15½c level if dollar exchange rate stays close to par. London market currently at seasonal high.

Zinc premiums for four 9s grade expected to be set at 1½c-1¾c by Canadian producers to match U.S. levels. No immediate change in prime western 13c lb. quote foreseen.

Flax showing strength from export interest, good clearance, up about 15c bu. at around $3.23-$3.27.

Oats, Rye both slightly easier, off about 2c-3c in last week, mostly in sympathy with U.S. markets. Good crop, navigation close are other factors.

Nylon cut average 25c lb. for staple and tow by Du Pont of Canada this week. Reductions in line with recent U.S. decreases.

Orlon cut average of 25c lb. for staple and tow by du Pont in U.S. Change will affect Canadian prices since no Canadian production is currently under way. Reductions also announced for other acrylic fibres by other producers. Cuts reflect drive for volume markets currently getting under way.

Silver easing in U.S. from recent high of 92c oz. in mid-Oct. to current roughly 90c price with supplies continuing good. Canadian prices are based on U.S.

Synthetics Hit Textile Field By Price Cuts

By W. L. DACK

Manufacturers of manmade fibres are girding for a major onslaught on the textile market.

Cotton, wool and long-established rayon and acetate, which have been finding the comeback trail disappointingly slow from last year's slump, are now in for fiercer competition.

Sharply rising production in most of the newer synthetic fibres has touched off a broad wave of price cutting in the last two weeks. On the average the cut runs around 15%.

Prices of the three fastest moving members of the promising acrylic group — Orlon, Dynel and Acrilan — have all been trimmed 14% - 18% on staple and tow products. Filament prices have held.

This week Du Pont of Canada followed with a cut of 25c a lb. on nylon staple and tow. Last week Du Pont pared Orlon 25c a lb.

Although up to midweek prices of Terylene in this country and Dacron — the U.S. equivalent — have held steady, many textile authorities expect reductions in these too. Recently Imperial Chemical Industries in England have pared prices of Terylene in that country.

Price cuts have come at a time

(Continued on page 8, Col. 5)

Auto Makers Frame Big Growth Plans

Market Forecasts Indicate They Will Have To Expand To Keep Up With Demand — Expect Trend Toward Decentralization To Continue

By JACK McARTHUR

New expansion blueprints are being drawn for Canada's automaking industry. They may run to more than $250 millions — in terms of 1955 dollars — in the next decade.

They are based on tentative assumptions that the nation will then have 19 million people, six million motor vehicles and an industry producing 600,000 vehicles annually.

If 1956 corroborates the evidence of 1955, automakers' capital spending will continue to be one of the economy's strongest supports.

General Motors and Ford are likely to begin ambitious expansion plans within two years. Chrysler may follow.

No automaker has announced specific growth plans or figures yet. These are still top secret.

In fact, many still are in the formative, subject-to-quick-change state.

During the past year, the industry — taking a breather after postwar capital expansion worth $260 millions — has been revising and gathering information on future markets.

The result: Almost every recent speech by auto executives has contained information concerning the possible market in 1961 or 1965 or 1971. The most recent and detailed address was given last week by General Motors of Canada President William Wecker.

Sift through these speeches, add in the privately expressed feelings of many auto executives, and these conclusions emerge:

—If we're to have six million vehicles in 1965 (and, assuming a reasonably steady economic growth, this is regarded as a logical estimate) our annual production by then will have to be more than 600,000.

—The auto industry, to meet this demand, will have to grow almost as much in the next 10 years as it did in the last 10.

—Such expansion should cost at least $250 millions (1955 dollars).

—If the market remains as healthy as in 1955, first expansion will have to be undertaken within the next two years. Wecker spoke of possible GM expansion within "two or three" years.

—Growth will tend to decentralization in the manner of Ford's move to Oakville. Wecker confirmed that GM was thinking in terms of decentralization of the auto industry.

Which companies will make the first big move to conform with the suggested growth pattern? No one can be sure.

There has already been talk of Ford expansion at Oakville (a separate truck plant is likely, possibly within three years). Studebaker-Packard may build Clippers in Canada.

General Motors — with such a large share of the market — will have to grow if demand keeps zooming. Even Chrysler, which only this year finished an expansion plan worth more than $50 millions, is by no means wallowing in productive capacity. Not in relation to its sharply higher sales.

Market Indications

Market forecasts are made with certain assumptions. They include:

—No major depression.

—Steady growth in gross national and individual incomes.

—No major war which would set automakers to turning out weapons.

Most forecasts suggest average increases in per capita income of 15%-30% by 1965.

This should send demand zooming for passenger cars. More people will be able to buy cars, more people will have two — or even three — autos.

At present income levels, there is an auto for about every 3.5 Canadians, a motor vehicle for every 4.1.

Even carrying these ratios forward to 1965, and assuming a population of 19 million, Canada would have almost 3.5 million cars, 4.6 million motor vehicles altogether.

But three things will inflate these totals:

First, the increasing number of two-car owners. In 1954 alone the number of two-car owners rose from 4.2% of all owners to 7.9%. It's close to 10% now, the

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Export of Peace River Gas Has Major Economic Impact

For the complete story on natural gas progress and prospects, see Report on Oil and Gas, pp. 41-72.

Washington's approval of large-scale imports of Peace River natural gas into the U.S. Pacific Northwest has far-reaching implications for Canada:

It has set a pattern by which Canadian gas can be acceptable in U.S.

It enhances chances of success of another big Canadian gas export proposal — that of Trans-Canada Pipe Lines — which is based on the same broad principles.

It has set in motion a development program in the Peace River country of B.C. and Alberta that in time will not only transform the whole economic picture of the northcentral and northeastern section of B.C. but will exert a profound impact on the whole B.C. economy.

An original proposal to serve the U.S. Pacific Northwest market entirely by Canadian gas from the Peace River area was turned down last June after hearings that stretched a record two years. The big objection cited by the Federal Power Commission—it was not advisable to have a major U.S. market area solely dependent for its gas on a foreign source of supply.

In a major revamping job Pacific Northwest Pipelines of Houston, Texas — the company which won FPC approval to serve the market with gas from the San Juan area of New Mexico—and Westcoast Transmission Co. officials, came up with an ambitious new proposal: to serve the market with gas from both sources. This is the skeleton of the deal that has at last won for Canadian gas entrance into the big U.S. market.

The even bigger international gas pipeline deal that would involve export of 200 million cu. ft. of Prairie gas daily into the U.S. midwest is based on very much the same general pattern. By means of a $97 million, 1,200-mile gas pipeline to stretch northwestward from Tennessee to Emerson on the Minnesota-Manitoba border, Tennessee Gas Transmission Corp. proposes to serve markets in Minnesota, Wisconsin, Michigan and North Dakota.

The pipeline capacity of 400 million cu. ft. daily would be supplied 50% from Trans-Canada and 50% from Southern U.S. gas fields. The dual supply pattern—in line with the Westcoast case—

(Continued on page 3, Col. 4)

More Bank of Canada Moves To Tighten Money Supply?

By DALTON ROBERTSON

There are suspicions in the financial community that the Bank of Canada may dash more cold water on the bank-loan boom, further dampen down Canada's easy-money atmosphere.

With three recent increases in the central bank discount rate, government monetary authorities have already signaled sharply to the chartered banks to tighten up lending policies.

That another monetary move is imminent is suspected from the stepped-up pace of interbank meetings in the last few days. Despite indications that no big changes have been discussed so far, there is speculation that some warning or suspicion is making the chartered banks sell government bonds in quantity.

The banks' moves to get in a more liquid position, it's suggested, could mean bankers think the Bank of Canada is about to raise the discount rate again or increase the reserve requirement which the chartered banks must maintain with the Bank of Canada.

Are the banks selling because they need more liquidity to meet a discount hike or reserve increase they know is coming? This presupposes the central bank has yet to really tighten down the credit lid.

Are they selling because they find even now the existing loan boom has pushed them too close to the cash-reserve minimum they must maintain? This presupposes that both chartered banks and central bank have agreed that now is the time to

(Continued on page 8, Col. 2)

Merger of Two Airlines Gives North New Service

MONTREAL (Staff) — Two northern air transport operators this week merged to form a major airline to serve the fast moving northlands.

The two firms concerned are Central Northern Airways, of Winnipeg, and Arctic Wings, of Churchill, Man. and Ottawa.

The new airline — yet to be named — will have 40 aircraft and 15,000 route miles to start with. It's the beginning of a new era for the northerners. Bucket seats and blankets with passengers jammed in corners between piles of freight are now on the way out. The new line plans normal service and comfort with uniformed staff both in the air and on the ground.

Subject to the approval of the Air Transport Board, the new company will take over the Central Northern Airways routes throughout Manitoba and Northwest Ontario and the Arctic Wings routes in Northern Manitoba and the Northwest Territories. They extend from Winnipeg and Sioux Lookout in the south to the mining centres of Red Lake, Flin Flon, Lynn Lake and through Churchill to the Arctic islands and the new radar sites of the DEW line. In the new fleet will be single engine aircraft, operating on floats, skis or wheels, amphibious flying boats and twin and four engine transports. Purchase from Trans-Canada Air Lines of two Bristol freighters and one Dakota was the first expansion move of the new company.

The present maintenance facilities at Winnipeg are being enlarged and improved. A hangar at The Pas is being activated, and a large hangar is under construction at Churchill. The airline will handle all commercial aircraft refueling at Churchill, with the completion of the new hangar, except the polar flight facilities of Scandinavian and Canadian Pacific airlines. They will also handle all aircraft loading at Churchill for both the DEW and Mid-Canada airlifts.

An accelerated training pro-

(Continued on page 3, col. 3)

By-Pass Red Tape Jungle On Stored Grain Loans

OTTAWA (Staff) — Word has gone out to Canada's chartered banks to cut the red tape on loans secured by stored grain.

When new system of government-backed loans to farmers went into operation Nov. 15, it was immediately discovered that the machinery set up to process the loans would lead to long delays. To get the cash into the farmer's hands more quickly, the banks have been asked to make the loans when requested, without a search for liens on the grain.

Under the new plan, farmers may borrow up to $1,500 at 5% in advance of delivery of their grain to elevators. Now the business of lien search has been cut out.

In some sections of the Prairies, it is common for municipal tax claims to be filed against farmer's grain. To investigate these, the bank would have to approach the municipal secretary — often a part-time official who spends more of his time on his farm than in his municipal office.

The secretary would in turn have to approach the municipal council for authority to grant the Government a prior claim on the grain.

Any risk involved will be overcome, it is expected, by legislation to be introduced at next month's Parliamentary session. This will give the Federal Government authority to claim 50% of any payment made to a grain elevator on behalf of a farmer-debtor, with this claim taking precedence over all others.

In another attack on red tape, the Government has authorized the banks to dispense with the requirement of a detailed financial statement from farmers seeking the new type of loans. Under the original terms, the farmer was required to submit, and the bank required to verify, a complete and up-to-date balance sheet.

Officials at Ottawa say it is still too early to assess the demand for loans under the new arrangements. The trend, it is said, will become discernible only after the system has been in operation about a month — that is, by Dec. 15.

THE SIGNS AND PORTENTS

By PETER C. NEWMAN

NEXT JUNE, 17,000 enumerators will begin Canada's first five-year census. Results should become available by November, 1956. The count will show a population of 16 millions — up two millions from the previous census in 1951.

* * *

CONTINUED CREDIT tightening measures by the Bank of Canada should not be interpreted as symptoms of worry. Their restraining influence is designed mainly to discourage businessmen from borrowing to build up inventories too high and to keep a check on mortgage credit, as a halter on commercial and residential building. Cutting credit at the consumer level may be attempted under new legislation if present measures fail to halt the economy's inflationary cant.

* * *

1956 WILL BE ANOTHER $5 billion-plus year for the Canadian construction industry. Average job-site labor force will be 500,000 not including those employed in the manufacture, transportation and selling of construction materials and equipment. As in 1955, nearly one out of every five dollars spent on end goods and services in Canada will go for construction.

* * *

CANADA'S AUTO industry will spend $250 millions on production facility expansion during the next ten years. By 1965, the car makers expect to be turning out 600,000 units a year. Canadians will be driving six million vehicles and the one-car family will be in the minority. Automobile manufacturers have spent $260 millions on plant growth since 1945. The new expansion will take hold within the next two years.

* * *

CANADA'S APPLIANCE industry is known to be budgeting to sell 50% more automatic washers and dryers in 1956, 10% more electric ranges and as many refrigerators as in 1955. Television set sales are expected to keep climbing.

* * *

AIR FARES are going up for those who want to fly in the extra comfort of first-class accommodation. The 1956 price schedule for overseas flight will widen the gap between first class and tourist travel. Increases will be around 10%.

* * *

BUILDING OF THE $150-MILLION Westcoast Transmission pipeline will mean expenditure of at least another $45 millions in the Peace River district and a general wave of economic activity in North Central and Northeastern B.C. This will almost certainly result in the discovery of further gas fields and economic oil deposits north of Peace River.

* * *

FPC'S APPROVAL of the Westcoast Transmission project favorably affects the chances of obtaining a go-ahead signal on the Trans-Canada gas pipeline, which also uses a route based on supplies from both countries. But the B.C. example should also serve as a warning: Federal Power Commission approval came only after more than two years of hearings — the longest in FPC's history.

EXTENT OF CANADA'S potential oil - producing capacity shows up in these figures: only 500,000 sq. miles of oil-bearing lands have so far been explored; at least another 900,000 sq. miles remain favorable for oil prospecting. Production of Canadian crude will increase 25% in 1956. By 1980, net reserves of Canadian oil and natural gas liquids are expected to amount to 10.8 billion bbls.

* * *

CANADA'S ALREADY high export price structure will rise again next year. Another jump is expected in ocean freight rates. Because of high industrial activity on the Continent, a shortage of bottoms available for trans-Atlantic bulk cargoes is developing. Merchant ship rates will increase 15% early next year.

* * *

ELECTRONIC MACHINE claimed to be capable of mass diagnosis of cancer in humans will become commercially available in 1956.

Stock Market Highlights

Industrials

Toronto Stock Exchange industrials around recent 431 level are 25 points below September peak, 15 points above October low, and 55 points above 1955 low. Montreal industrials at 293, seven points below peak, 18 points above October low and 50 above 1955 low. Volume dropping off in last three weeks, and averages haven't changed much either way. For discussion of some of the stocks that have moved turn to page four.

Mines and Oils

Opemiska Copper sharply higher this week selling up to $9.65 a share as quarterly profits rise, new ore established, and Noranda interests rumored bidders for control.

B.C. gas stocks lose part of anticipatory mark-ups following final FPC approval of Westcoast project.

Merrill Petroleums sells at 1955 high of $11¾ as profits now being shown and Pembina production continues to expand.

Mallen Red Lake, Brunhurst active issues on basis of property holdings in "hot" Rio Tinto area north of Rouyn.

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Trend of Business

Manufacturers' inventories, shipments, new orders in healthy state. In September, inventories totaled $3,510 millions, up $10 millions from August, down almost $14 millions from September a year ago. Shipments rose 3% during September, taking nine month totals 11.2% ahead of those in the same months last year. New orders ran a whopping 24.4% ahead of those placed in September '54.

Motor vehicle shipments shot up to 26,299 units in October as new models began to move quickly to dealer showrooms. This was steeply above last October's low point of 10,624, but still below the all-time high of 35,898 shipped from factory to dealer in October 1953. First ten month shipments are 27% bigger than in the same months of '54.

September exports rose an abrupt 16% as Canada's mine, mill and forest industries swung into high gear. First three quarter exports added up to $3.145 millions, 11.7% more than a year earlier. Heading the list of percentage gains was iron and its products which mare than doubled. In the nine month period the wood and paper group accounted for 36% of all exports with a value of $1,130 compared to $1,007 in '54. In the January-September period 59.3% of all exports went to the U. S., 18.5% to the U. K.

It's the freight cars, not the passenger runs, that pull in railroad revenues. During August when summer business was running high, net operating revenues hit $18.4 millions, almost three times as great as August '54. Total revenues increased 16.9% while operating expenses showed a smaller rise of 4.4%. Freight tonnage jumped 22,9%; revenue passengers dropped 4.2% in number, although passenger miles per trip rose slightly.

Oil and gas output climb continuing sharp upward trend. During August the oilfields produced 11.8 million bbls., up 29.9% over August a year ago. This brought first-eight-month total to 81.1 million bbls., 34% ahead of the score a year earlier. Natural gas output rose 27% during the month while January-August total amounted to 91,255,500 M cu. ft., a 16.6% gain over the same months in '54.

October was a busy border crossing month. Foreign vehicles entering Canada on travellers permits totaled 167,700, up 3.4% from the same month last year. These cars remain in the country for 48 hours or more, plan to leave at a point other than that of entry. Ontario and Quebec got the bulk of the long-stay business, 127,600 vehicles. Cumulative total for this year is 2,360,000, topping last year by 78,000.

Third quarter security transactions between Canada and other countries resulted in a purchase balance or capital outflow of $5 millions. September reduced the size of the quarter's buying abroad when it racked up a capital inflow of $9.7 millions following months of capital outflow. During the quarter, non-Canadians increased stock holdings, lowered bond holdings, though net movements in each were smaller than in either first or second quarter.

Over 111,000 TV sets were sold to Canadian video fans this October, 21% more than in October last year. For these, buyers paid almost $33.5 millions or an average of $301 per set. Cumulative sales for the year amount to $174.5 millions (15% more than same 10 months of '54) for 575,639 sets (31.8% more). With lower priced sets, viewers were buying more big screen models.

Mid-October employment-unemployment situation unusually stable. On Oct. 22, the number of job holders totaled 5,477,000, over 175,000 more than a year earlier and only 18,000 below this year's mid-September number. Without a job and looking for work were 142,000 this year compared to 180,000 at this point in the fall of '54.

Sawn lumber output up substantially in the first eight months of this year compared to a year ago. January-August production totals 5,589 million fbm, 10.8% more than in the same period in '54. August production in B. C. amounted to 461 million fbm, while east of the Rockies it totaled 326 million, for an over-all August-to-August gain of 3%.

Over 11,900 traffic accidents caused property damage amounting to $4,372,000 in the month of July, as reported by all provinces except Quebec. Over half this damage took place in Ontario where losses added up to $2.3 millions. There were 196 fatalities, and 4,931 people injured.

Major Weekly Indicators

		Latest Week	Week Ago	Month Ago	Year Ago
Department sales (% ch. from year earlier)		+10.8%	+15.6%	+14.2%	+8%
Carloading, total	(cars)	84,798	86,216	84,482	77,396
Eastern Canada	(cars)	56,081	55,756	54,807	49,541
Western Canada	(cars)	28,717	30,460	29,675	27,855
Iron & Steel (mfd.)	(cars)	1,372	1,251	1,142	944
Ores, concentrate	(cars)	7,810	8,610	10,440	5,960
Base metals	(cars)	659	708	655	609
Lumber, timber, plywood	(cars)	3,868	4,197	4,375	3,863
Cement	(cars)	980	1,159	1,016	667
Passenger car prod.	(no.)	6,228	6,079	5,102	...
Truck production	(no.)	817	822	600	...
Bus. failures 4-wk. moving av.	(no.)	30	28.2	24	19.8
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Personal savings	($ millions)	5,642	5,671	5,774	5,167
Loans outstanding	($ millions)	4,800	4,690	4,513	4,223
N.H.A. mtge. holdings	($ millions)	250	244	224	45
Bank of Canada holdings of securities	($ millions)	2,396	2,372	2,363	2,286
Short term govern.	($ millions)	1,386	1,335	1,321	1,438
Long term govern.	($ millions)	948	975	980	836
Other securities	($ millions)	52	52	52	12
Canadian dollar (U. S. cents aver.)		100.007	100.009	100.188	103.266
Yield 114 stocks		4.44%	4.44%	4.32%	4.70%
Dom. Bonds yield index ('35-'39=100)		108.4	103.5	103.5	99.0
T.S.E. industrial index		432.33	430.69	421.54	370.65
Bank Clearings					
Montreal	($ millions)	616	602	563	552
Toronto	($ millions)	863	680	758	726

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE				
In all industries (Index)	269.9	263.9	276.8	246.7
—In factories (Index)	272.9	265.3	287.9	252.5
Total nondurable goods (Index)	242.7	229.9	248.6	230.8
Food and bev. (Index)	257.5	270.2	265.1	258.4
Textiles (Index)	179.1	136.3	190.6	157.4
Clothing (Index)	143.8	130.7	140.6	141.5
Chemical products (Index)	281.5	283.1	305.6	282.6
Total durable goods (Index)	320.2	320.6	336.5	286.4
Iron & steel products (Index)	284.4	273.4	296.2	249.2
Primary iron & steel (Index)	362.7	332.1	373.7	223.5
—From mines (Index)	262.3	264.0	254.1	226.2
Metals (Index)	147.8	142.9	145.4	128.6
Nonferrous smelting, refining (Index)	259.0	242.5	254.8	237.7
Gold (Index)	107.9	107.5	107.7	103.3
—From farms				
Hogs graded (000)	402	343	365	434
Cattle delivered (000)	180	138	130	166
Flour (Index)	132.5	116.7	134.1	148.3
—From sea				
E. Coast catch ($000)	4,202	6,034	7,555	6,731
W. Coast catch ($000)	4,591	7,787	5,236	6,773
—From forests—				
Newsprint (000 tons)	539.5	490.4	507.8	503.1
Pulp (000 tons)	875	795	829	802
—In powerhouses				
Electricity (Index) (seasonally adjusted)	285.9	289.0	290.2	261.8
WHAT WE SELL—				
Retail sales ($ millions)	1,113	1,100	1,107	1,003
Dept. store sales ($ millions)	101.9	81	71	89
Wholesale sales (value) (Index)	419.5	377.9	415.7	378.1
•Mfrs. outstdg. orders (value) (Index)	79.9	81.4	80.6	82.0
Pass. cars sales (units)	24,906	33,453	41,310	23,690
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	101.3	101.5	100.7	102.1
Dept. store stock sales ratio	2.7	3.1	2.9	2.9
SPENDING SAVING POWER—				
Labor income ($ millions)	1,108	1,093	1,091	1,019
Dividend payments (Index) (annual rate)	282.3	269.9	269.2	252.8
JOBS—				
•Persons with jobs (000)	5,477	5,495	5,641	5,302
•Jobless seeking work (000)	142	138	131	180
•Do. (% of labor force)	2.6%	2.5%	2.3%	3.3%
CONSTRUCTION—				
Contract awards ($ millions)	274	301	357	103
FOREIGN TRADE—				
Exports ($ millions)	384	382	348	331
Imports ($ millions)	415	430	373	325
MONEY—				
Money supply ($ millions)	5,808	5,719	5,542	5,228
Cheques cashed ($ millions)	13,182	13,465	13,772	11,363
Life insurance sales ($ millions)	244	245	299	203
•Notice deposits ($ millions)	6,333	6,295	6,238	5,585
•Current public loans ($ millions)	4,130	4,055	3,986	3,750
PRICES—				
Consumer price (Index)	116.9	116.8	116.4	116.8

Index bases: production wholesale sales 1935=100; employment, payrolls 1949=100; consumer price index 1949=100; manufacturers' inventories outstanding orders Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	374	247	3,273	+29%
Primary copper (000 tons)	27.5	23.7	238	+7.6%
Nickel (000 tons)	14.0	13.5	132	+11.2%
Cement (000 bbls.)	2,564	1,982	18,949	+11.8%
•Lumber (millions fbm.)	788	770	5,589	+10.8%
Lumber exports (millions fbm.)	472	468	3,147	+23%

•New items this week

Date of issue for your file, The Financial Post, December 3, 1955.

Announcing

Canadian Alliance Corp. (Montreal) — now includes former Canadian Alliance Corp. and Globe Securities Corp. united companies operating under former name. Alfred J. Bendall formerly president Globe Securities, a director and vice-president Research and Analytical Dept. of Canadian Alliance Corp.

Canadian Bank of Commerce (Toronto) — Sir Roy H. Dobson of Manchester, Eng., chairman of A. V. Roe Canada Ltd. and managing director A. V. Roe & Co. (England), a director.

Canadian Chemical Co. (Montreal) — Michael M. Harman, sales representative, chemicals and plastics, Western District.

Canadian General Transit Co. (Montreal) — N. J. Ellis, assistant vice-president; J. van Hemert, assistant manager.

Canadian Kodak Co. and affiliate Canadian Kodak Sales Ltd. (Toronto) — James W. Spence, chairman; Donald C. Kerr, president and general manager, succeeding E. Stanley Currie who died Nov. 6; R. Louis Christie, assistant general manager and director; D. Douglas Lauder, secretary; R. Laird B. Joynt, treasurer; Kenneth Winter, comptroller. Donald N. Spring, assistant sales manager, Canadian Kodak Sales Ltd.

Canadian Life Insurance Officers Association (Toronto) — R. Leighton Foster, Q.C., managing director; J. A. Tuck, Q.C., general counsel.

Canadian National Railways (Montreal) — Gordon M. Greenbury, chief of car service, succeeding Frank Simpson, who retires.

Canadian Petrofina Ltd. (Montreal) — H. B. Sceats, assistant division manager, Toronto; L. R. Corbett, assistant division manager (sales), Toronto; D. N. Noble, district manager, Ottawa.

Central Mortgage & Housing Corp. (Ottawa)—A. J. E. Smith of Halifax, chief engineer head office, succeeding W. J. Milhausen returning to private business; H. R. Borland of Toronto, regional supervisor Atlantic region.

H. M. Chisholm & Co. (Toronto)—George W. Chisholm, a director, elected member Canadian Stock Exchange, Montreal.

J. H. Crang & Co. (Toronto) — W. Marshal Cleland, transferred from St. Catharines, Ont., office to head office, Toronto.

Creative Sales Development Ltd. (Toronto) — changes name to Roydon M. Barbour Ltd.; Roydon M. Barbour, continues as president; Keith Edgar as vice-president; J. L. Pegnem a director and will act as account executive.

Dalhousie University (Halifax) — Brigadier H. V. D. Laing, chairman; Mr. Justice John Doull, vice-chairman of the Board of Governors.

Distillers' Corporation - Seagrams Ltd. (Montreal)—Edgar M. Bronfman, Victor A. Fischel and Frank R. Schwengel, vice-presidents.

Dominion Construction Co. Bentall Construction Co. and associated companies (Vancouver) — H. Clark Bentall, president; Robert G. Bentall, vice-president; H. J. Shopland continues as Edmonton District manager; F. Worster, secretary-treasurer, D. G. McIntosh, as chief engineer.

Du Pont Co. of Canada (Montreal) — J. C. Conradi, special assistant to D. S. MacKay, sales manager, textile fibres division; K. G. W. Smith, manager dyes and auxiliary chemicals.

Federal Grain Ltd. (Winnipeg)—H. C. MacGregor, president; H. E. Sellers, chairman.

Ford Motor Co. of Canada (Toronto) — Morgan A. Snedden, director of merchandising; James C. Miller, director of advertising; Paul H. Ambrose, director of business management; Harry B. Meanwell, director market research; Sydney E. Swallow, director of service.

General Tire & Rubber Co. of Canada, Stokes Division, (Welland, Ont.) — C. L. Gretsinger, general sales manager.

Grand Union-Carroll's Ltd. (Hamilton) — Richard L. Craigmyle, appointed to advertising department.

International Harvester Co. of Canada (Hamilton) — G. H. Rose, motor truck manager, in charge motor truck operations, Ottawa District office.

Johnson Matthey & Mallory Ltd. (Toronto) — J. E. Shirreff, vice-president.

A. E. LePage Ltd. (Toronto) — W. L. Mason, manager commercial industrial department.

Eli Lilly & Co. (Canada) Ltd. (Toronto) — J. R. Stamper, vice-president and general manager at Toronto to be associate director, Eli Lilly International Corporation's British and Eurasian area at Indianapolis; Oscar W. Funk, manager of Eli Lilly & Co., Washington district, to succeed Stamper.

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Wooden Icebergs

Between some of British Columbia's great pulpwood forests and the mills lie miles of open sea. To cross these waters, the Davis raft was evolved. These giant bundles of logs, up to 2.5 million board feet lashed with steel cables, float like icebergs. Only a small part of their volume shows above the water.

Such operations differ from those used elsewhere in Canada; but the pulpwood serves a common purpose: it is the basis of an industry that stimulates the Canadian economy with annual payments of $1 billion for wages, taxes, goods, and services; that brings home one of every four dollars earned from all exports; that creates $3 million of new wealth daily for Canada; that continues to contribute far more than any other industry to the income of the nation and to the well-being of every Canadian.

PULP & PAPER INDUSTRY of CANADA

131 MILLS, SHARE AND LABOR, FROM COAST TO COAST

Drawing by Franklin Arbuckle, R.C.A.

Christmas Shopping Spree Running 10% Up On 1954

(Continued from page 1)

"There is no merchandise shortage for Christmas," one official said, "but we're pretty sure of moving the stock we have."

Already most the department outlets have completed arrangements to handle an expected last minute avalanche of mail orders and store sales. So far, the season appears to have started later again, continuing a trend of the last three years.

Variety stores are sharing in the boom with most outlets calling it their biggest Chrismas in history. Factors in the growth include a trend to customers making more expensive purchases, stronger support of a wide variety of goods and a good supply situation. In toys, the best-sellers are mechanical toys and so called "cuddly toys" — furry monkeys and other animals which are getting sales for both babies and teenagers.

Several new wines plus a long list of established vintages are giving the Canadian wine industry one of its best Christmases in years. Sherry, table wines and champagne head the list with total wine volume in Ontario alone forecast at close to 300,000 gallons.

A new vin rosé, described as a "gently crackling light wine," is one of the new premium wines being introduced this Christmas by several companies. Others include sherries and ports, several grown from grape vines imported from France, which will be sold in the 50 retail stores operated by the wine industry. Total wine sales in Canada are currently around the 4 million gallon a year mark.

Beer and liquor are also having one of their best sales years yet.

Big Foods Demand

In foods, ample supplies and steady demand are pushing up sales of everything from turkeys to orange peel. Turkey sales are expected to hit all-time highs for the year, a wide variety of prepared foods introduced during the last three years are all selling fast and the regular Christmas features are going almost as quickly as retailers can stock them. Prices generally are at last year's levels except for some specialty goods and nuts which have been upped by short supply.

Booksellers and publishers are expecting a bumper Christmas season with sales up about 7%. Steps taken to jack up vital Yule business include an advertising series by the Book Publishers' Association stressing "Books for Gifts" and heavy advertising by individual retailers promoting single volumes and the general books theme.

Non-fiction is topping fiction so far with Canadian titles like "The Old Chieftan," Donald Creighton's biography of Sir John A. Macdonald, outselling imports.

Toys continue strong with an assortment of imported and domestic goods competing for the market. In addition to the gains in mechanical toys and dolls, retailers report a shift away from more standard items like electric trains to various do-it-yourself kits especially tailored for the small fry. Games and puzzles are also going well. Although some prices are higher than last season, the range still is broad enough to accommodate practically every budget.

Shoe salesmen are looking for a 5% Christmas gain over last year which will bring the year's total up to 1954 levels. The industry, slowed by weak spring sales this year, started to pick up in late summer, showed strong volume in October and November and is expected to close the year with a rush. Promotions include some 40,000 replicas of shoes being used to go with gift certificates and an experimental co-operative advertising campaign in the Toronto area featuring Miss Footwear of 1955 and stressing the "Footwear for Gifts."

Jewelers, who close to 25% of their year's business over Christmas, are happily anticipating a neat 15% gain over last year. The traditional lines of watches, diamonds and rings are being buttressed by solid sales in costume jewelery, cameras, silverware and accessories.

Farms Feel Boom

Dairy farmers are also contented as their cows with good clearances of butter and milk running well ahead of last year. So far on the year butter is selling 3% better than 1954. Cheese prices are holding above floor prices in some cases, aided by export sales to Britain.

Christmas is credited with keeping December sales up for Canadian ice cream manufacturers. With sales for the first 10 months of the year a fat 15% above 1954, the industry is looking for December volume about 8% up over last year. Helping the season are special items such as ice cream pies, fruit and nut rolls and several varieties of Christmas ice cream bricks. Per capita consumption is running at a 15 pints per year clip in Canada.

Other business gainers from Christmas shopping include various specialty shops. Toronto's High Fidelity Shop reports better sales and bigger spending on custom made high fidelity phonographs, cabinets and parts. "Sales are all up over last year," owner Bob Byrnes told The Post. "The only problem we have is supply — there's quite a tie-up for some parts as a result of late ordering."

In Western Canada, difficulties in marketing crops have deterred many farmers from making implement and equipment purchases over the Christmas season. A spokesman at Massey-Harris-Ferguson said during good crop sale years the company usually finds a definite pickup in farm implements for Christmas, but no large increase is expected this year.

Coal dealers report several families have been giving coal for Christmas. "Usually, a father phones us and orders a ton of coal for his son's or daughter's house," one dealer said. "Most companies get about half a dozen or more gift orders every Christmas."

Coal sales were reported "brisk" for November, taking up some of the slack of light than usual summer sales.

STONEWALL SCHOOL DISTRICT NO. 108, Man., new issue of $115,000 4½% 20-year serial debentures, due Dec. 1, 1956-75, have been sold to James Richardson & Sons of Toronto. District received $101.21 per $100 debentures.

Coming Events

Coming events of national interest and importance brought to the attention of Post editors will be included in this monthly column.

DECEMBER

2-3—Architectural Institute of B. C., Vancouver.
2-4—Ontario Federation of Labor (A.F. of L), Toronto.
5-6—Ontario Food Processors Association, Royal York Hotel, Toronto.
5-7—Ontario Beekeepers' Association, King Edward Hotel, Toronto.
5-9—Farmers Union of Alberta, Edmonton.
6-7—British Empire Annual Cheese Exhibition, Belleville, Ont.
6-9—Saskatchewan Farmers' Union, Saskatoon.
7—Ontario Retail Food Dealers' Assn., Toronto.
7-8—Ontario Milk Distributors' Association, Royal York Hotel, Toronto.
8-10—Conference on Christian Curriculum Development, Ontario English Catholic Teachers' Assn., King Edward Hotel, Toronto.
12—Allied Trades of the Baking Industry of Canada, King Edward Hotel, Toronto.
12-13—Laboratory Section, Canadian Public Health Association, Royal York Hotel, Toronto.
12-13—United Co-operatives of Ontario, Royal York Hotel, Toronto.
13-16—Ninth Canadian Soil Mechanics Conference, Vancouver.
26-31—Ontario Older Boys' Parliament, Victoria College, Toronto.
27-28—Ontario Public School Men Teachers' Federation, King Edward Hotel, Toronto.
27-29—Ontario Secondary School Teachers' Federation, Royal York Hotel, Toronto.

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Announcing

McKim Advertising Ltd. (Montreal) — Stuart Anderson, senior account executive.

Morrison Steel & Wire Co. (Vancouver) — Arnold B. Cliff, president; John E. Stark, executive vice-president and managing director.

New Brunswick Telephone Co. (Fredericton, N.B.)—J. N. Lutes, secretary-treasurer, succeeding Alex J. Thompson, retiring Jan. 1; G. M. Leggett, general plant manager; G. W. O'Blenis, general personnel manager.

Odeon Theatres (Canada) Ltd. and Odeon Ltd. (Toronto) — C. R. B. Salmon, executive vice-president; Frank H. Fisher, vice-president, theatre operations.

Ontario Safety League (Toronto) — George H. Jackson, vice-president sales and advertising, Ford Motor Co. of Canada, president.

Pfizer Canada Ltd. (Montreal) — Neil A. Morton, branch manager, to be executive assistant, New York Administrative offices of Pfizer International; Fraser W. Lockhart to be branch manager and general sales manager, Pfizer Canada; Philip C. Lindsey, assistant branch manager.

Provincial Bank of Canada (Montreal) — C. R. Charbonneau, controller; J. Lucien Frechette, chief accountant.

Racey, MacCallum & Associates Ltd. (Montreal) — G. L. Houghton, executive engineer, Toronto division; R. Murray Campbell, executive engineer, Montreal division.

Reynolds Aluminum Co. of Canada (Montreal) — J. E. Simard, chairman; J. Louis Reynolds, president; C. A. Wishart, executive vice-president; André Piché vice-president and general manager.

Robin Hood Flour Mills Ltd. (Montreal) — Roger Neron, assistant advertising manager.

Royalite Oil Co. (Calgary) — F. C. Manning, of Calgary, director.

Scarfe & Co. (Brantford, Ont.) — James J. Hill, assistant general manager.

Slater Shoe Co. (Canada) Ltd. (Montreal) — Victor Lacasse, George Fortin, Thomas and Richard Ayres, directors.

Sovereign Life Assurance Co. of Canada (Winnipeg) — T. Bruce Ross, general manager, Canadian, fire insurance group, director.

Standard-Modern Tool Co. (Toronto) — B. B. Osler, Q.C., director.

Union Carbide Canada Ltd. (Toronto) — W. B. Humes, director.

A. E. Whitehouse & Sons Ltd. (Montreal) — William A. Wood Jr., president.

Yale & Towne Manufacturing Co. Canadian Division, (St. Catharines, Ont.) — Bob Maybee, general sales manager; Gordon Houtby heads industrial sales department at Toronto; R. J. Mifflin, supervisor, new advertising and marketing department; Joseph A. P. Ellis, representative Southwestern Ontario, headquarters Toronto; Harry R. N. Bryson, representative Manitoba, Saskatchewan, & Lakehead, headquarters, Winnipeg; William Baker representative Quebec and Maritimes, headquarters, Montreal.

WILLIAM A. WOOD, JR.

has been appointed president of A. E. Whitehouse & Sons Ltd., Montreal.

FEAR U.S. CLAIMS

Frobisher To Tap Naas First Won't Touch Alaska Waters

With the early part on a main $270 million project at Taku Inlet shelved due to a possible dispute with the U. S. on downstream benefits on the Yukon River, as it flows into Alaska, the Ventures - Frobisher team now plan an entirely new $50 million 455,000 hp project on the Naas River in Northwestern British Columbia. Power from the Naas would be carried by a 32-mile power line to an industrial site at Alice Arm.

The Naas River flows entirely within British Columbia and involves no international complications. The new project could be later integrated in the main $270 million program, it is stated.

Under Federal Bill 3, a permit would be required to reverse the flow of the fast-flowing Yukon River which passes into Alaska. A U. S. aluminum company earlier proposed a large aluminum development in Alaska based on Alaska power and Canadian power which might be developed.

The fear now is that the United States might claim downstream benefits if Yukon River waters flowed into Alaska in diminished quantity.

The Naas River project would involve less than 10% of the total horsepower of the Yukon-Atlin-Taku project.

Dr. Charles Camsell, appearing before the Gordon Economic Commission, as a representative of the Ventures-Frobisher group, said negotiations were proceeding with a number of strong associates interested in participating with the Ventures group in the early development of Naas River power developments through Northwest Power Industries, the Ventures-Frobisher-QMI operating unit.

In answer to questions the Commission was informed that the five million hp for Taku was more than amount needed to exploit mineral resources of the Yukon and Northern British Columbia and it was expected to use capacity to process imported ores. There were stated to be several specific proposals along these lines.

In announcing the change in plans of the Ventures-Frobisher group, Premier Bennett of B. C. said that all surveys on the Taku and Naas projects will be completed next year.

"From that they will proceed with designs and their construction which we hope will start in 1957," said Mr. Bennett.

THIRD CANADIAN GENERAL INVESTMENT TRUST LTD. shareholders of record Dec. 30 have been given the right to subscribe for one additional share at $5 for each share held. Rights will expire on Feb. 10, 1956 and shares will sell ex-rights on Dec. 28.

Export of Peace River Gas Has Major Economic Impact

(Continued from page 1)

will remove one of the most obvious objections that could have been levelled at the whole integrated Trans-Canada-Tennessee project.

The assured construction of the $142 million, 650-mile big inch line of Westcoast Transmission Co. from the Peace River field down through B. C. to the international border will administer another major forward push to the whole B. C. economy.

—With an assured gas market there will be a second wave of drilling in the Peace River field—and beyond—that is estimated to run to some $45 millions over the next two to three years (between $25 and $30 millions spent to date).

—Movement of some 300 million—later up to 650 million—cu. ft. of gas daily out of the gasfields will mean establishment of gas processing plants in the area and recovery of large quantities of sulphur and residue hydrocarbons. This will mean almost certain extension of the Government-owned Pacific Eastern Railway into the Peace River country and shipments southward of large quantities of sulphur and propane.

—Availability of large supplies of sulphur will amost certainly lead to establishment of one or more sulphuric acid plants further south in closer proximity to some of the major pulp and paper customers.

—It could in time lead to establishment of petrochemical plants on route of pipeline for production of a broad list of intermediate—or end—chemicals based on such important hydrocarbon building blocks as ethane, methane, etc.

—The new wave of drilling that will get under way in the Peace River fields and further northward will probably eventually prove up commercially productive oilfields, oilmen state. Oil has already been found in several Peace River wells but the productive zone from which the oil has come has been so tight as to render recovery non-commercial.

"We are certain the oil is somewhere close," an oil official told The Post this week. "The Washington approval on gas could be the very encouragement needed to find this oil. Our drilling can now have a double-barreled target."

As well as the main line through the province some $50 millions in gas distribution systems will also be built (an estimated $25 millions on a system in the lower mainland area and another $25 millions on a distribution system in the interior).

While Pacific Northwest Pipe Line will import 300 million cu. ft. of Peace River gas daily at the border, it will also export up to 12 million cu. ft. of gas daily back for use in Vancouver until Westcoast Transmission facilities are ready by fall of 1957. Pacific Northwest will also export up to 12.6 million cu. ft. of gas daily to the Trail, B.C. district on a long-term basis.

ARGUS CORP. has converted 49,275 4½% cumulative convertible redeemable preference shares into an equal number of common shares at the close of business June 3, 1955. The remaining 725 outstanding preference shares were redeemed as of June 13. There are 150,000 second preference shares series "A" and 1,370,272 common shares outstanding.

COUNTY OF VICTORIA, Ont., new issue of $165,000 3¾% one to 15 year debentures have been sold to R. A. Daly Co. of Toronto and the Canadian Bank of Commerce. County will use proceeds for its share of cost of addition to home for the aged. It received $99.40 per $100 debentures.

North Gets New Airline Service

(Continued from page 1)

gram will get under way immediately to bring the company's standards of flying and aircraft servicing up to full airline status.

A company spokesman told The Post this week that how quickly the luxury service reaches the north will depend on the acceptance by the traveling public. The airline has plans in hand to increase its multi-engine fleet as soon as a demand is created.

Initially most flights will stay on a non-scheduled basis as at present but a program of introducing regular schedules will begin at once.

Head office of the company will be located in Winnipeg, and a sales office will be maintained in Ottawa. Directors are G. H. Sellers, R. G. B. Dickson and M. E. Ashton of Winnipeg; and J. H. Lymburner, J. A. Roberts, R. L. Hall and J. E. Wells of Ottawa.

Auto Production

	Week Ending Nov. 26	To Date
CARS		
Chrysler	2,513	84,575
Ford	3,515	125,641
General Motors	strike	128,157
Nash	....	1,791
Studebaker-Packard	200	7,235
Hudson	....	1,027
Totals	6,228	348,426
Previous week	6,097	.....
Last year	3,803	.....
TRUCKS		
Chrysler	250	9,030
Ford	567	23,376
General Motors	strike	28,794
International	strike	6,759
Studebaker-Packard	....	242
Totals	817	68,201
Previous week	822	.....
Last year	585	.....

Look For It Here

December 3, 1955

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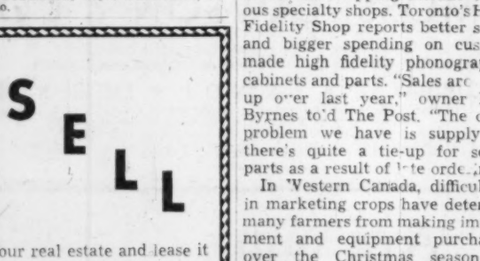

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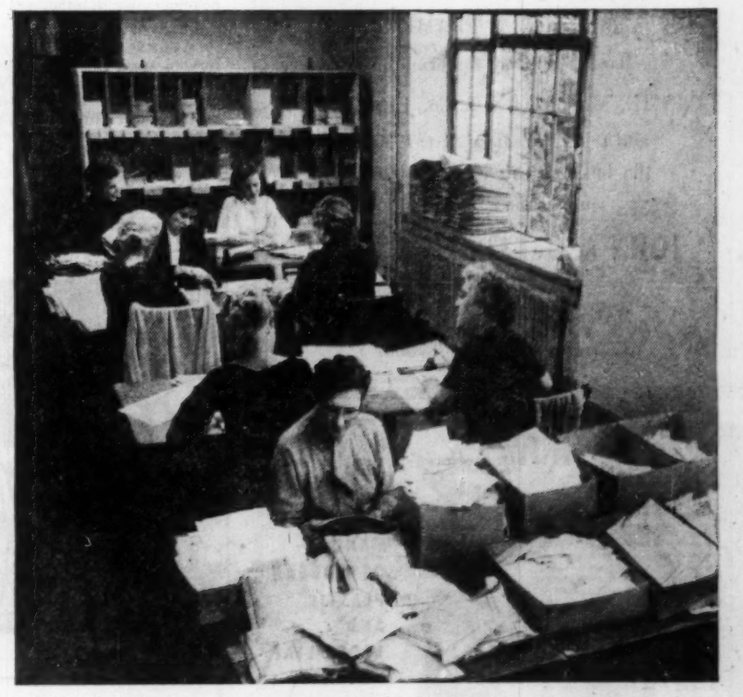
OFFICES ACROSS CANADA FROM COAST TO COAST

110,701

advertisers' recipe books ordered from one offer in Chatelaine*

In the eight weeks after advertisers' recipe books were offered in October Chatelaine 110,701 booklets were ordered by readers. Orders are still being received at a rate of over 1,000 booklets a week—more than two months after issue date.

*Recipe books offered were a choice of twenty-five, some free, some from 10c to $2.00 each.



A large, extra staff has worked for weeks filling orders for advertisers' recipe books.

This tremendous response again proves Chatelaine's high reader interest, the consumer action this develops, and the long life of Chatelaine as an advertising medium.

The importance of pass-along readership and reminder value of succeeding issues is also demonstrated.

With no mention of the recipe offer in November issue, daily orders for recipe books almost trebled in the two weeks following publication.

It is this kind of reader reaction that makes Chatelaine such a potent medium for selling to women.

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CANADIAN ANTI-COMBINES LEGISLATION
by
T. D. MACDONALD, Q.C.,
appearing in the December issue of
THE CANADIAN JOURNAL OF ACCOUNTANCY
228 Bloor Street West, Toronto — WA. 1-0207

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Why They're Moving

Facts and comment on what's going on in the market and what's behind some of the moves.

More interest in Christmas shopping than in the stock market. There is a feeling of calm and well-being toward 1955. The market was good to the investor despite a fall setback following U. S. President Eisenhower's heart attack. Tax selling in the pacesetting New York market has become a factor dulling interest. And in Canadian markets, sluggishness in mining and oil stocks has put a damper on over-all activity. Hints of a background of good news accumulating on the mining front suggest a possible pre-Christmas rush of dealings. This news, says the street, is being held back pending more active public interest. On the other hand, board room talk is that the market is waiting for the news. Which comes first—the chicken or the egg?

* * *

Cautious investors are using hedging tactics to greater degree. The result is more interest and more activity in **bank** and **utility** shares. With a host of banks telling about record assets, deposits, loans and increased profits in their annual reports, money has turned into their shares. Since the late-September early-October market break, bank shares have recovered about 50% of their losses, a slightly better showing than the industrial board as a whole.

	Recent	Mid-Oct.	Early Sept.		Recent	Mid-Oct.	Early Sept.
Bk Commerce ..	$44.00	$41.50	$47.00	Nova Scotia	58.00	54.00	62.00
Imperial Bk. ...	51.25	46.50	51.00	Royal	57.50	54.00	59.00
Montreal	47.00	45.00	50.00	Toronto-Dom. ..	44.00	41.00	48.00

Hedging through purchase of **utility** stocks probably has been more pronounced although price changes have been relatively minor. **Bell Telephone** particularly active at about $50 which was its mid-October level although down slightly from pre-slump price of $50.75. New debt financing expected soon. Similar movement occurred in **Consumers Gas** at $23 down only 50c. However, **International Utilities**, a favorite with U. S. investors, dropped $2 in October slump to $37.75, since rebounded to about $40.50.

Union Gas at $48 is $3 below late September but up $2 from mid-October. Better recovery action in **Shawinigan Power** at $69.25, up $8 from mid-October and still off only $2 from pre-drop level. More investors paying attention to **Mexican Light & Power** at $17 up $6 in a month as a result of $200 million projected expansion and aid of World Bank which adds stability to company's operations in Mexico.

* * *

THE STREET IS TALKING ABOUT—the neck-and-neck price race between **Steel of Canada** and **U. S. Steel**, the biggest steelmakers in Canada and the U. S. respectively. Both are up from about $58. Both plan major expansions. Stelco said to be working on financing plans. . . . **Canada Iron Foundries** near its high of $34.25 is well up from low of $22.75 early in 1955 and has added about $5 in a month. Street talking issuance of rights to shareholders soon to raise money for expansion. Also talk of jump in earnings to $5 a share from $3.38 last year. Acquisition of **Disher Steel** (The Post, Nov. 19) adds about 30c a share. Indicated annual dividend rate raised to $1.50 from $1.20. . . . **George Weston** A and B shares ease about $2 after announcement of National Tea control going to Garfield Weston interest.

* * *

Distillers Seagrams oil interests helping balance difficulties of liquor firms in U. S. business as a result of growth of moonshining. Seagrams recently disclosed daily production of 2,400 net barrels from its oil properties. May double $15 million investment in oil in current year. Stock has slipped back to $40 from late September high of $48.75—a dip of about 18%. In comparison, **Hiram Walkers** is down about 13% to $69 from mid-September peak of $80.25.

* * *

That wide-swinging infrequently traded tiremaker—**Goodyear Tire & Rubber of Canada**—starting to catch attention at $150. Reason: 1955 expected to be a record year with earnings just under $20 a share. Previous record in 1953 at $17.48 a common share but profits dropped sharply last year to $8.48. The experts note that Goodyear does all Chrysler business and Chrysler has improved its competitive position in the auto industry in Canada and the U. S. Goodyear has swung in a range of $130 to $175 and its present price is down from $160 in September.

Note that **Chrysler** currently is near its high of $101 compared with low this year of $65. **General Motors** in demand near $55 drops back to $50 with 1955 earnings estimated at record $1.2 billions equal to $4.40 a share, compared with $3.02 in 1954. Brokers say part of strength in GM is spillover of interest in expected Ford stock offering. Investors have difficulty in buying Ford, so settle for GM.

* * *

B. C. Forest Products at $16 is near its 1955 high of $16.75 and up about $2 from the price prior to announcement of deal with Scott Paper of U. S. Present level is about 14 times 1954 earnings of $1.09 a share but street talk indicates this year's net at record $3.8 millions equal to $1.60, expected to be reported any day in annual report.

Under projected deal with Scott, the U. S. firm is buying one million B. C. Forest shares at $15 with money going to build a bleached kraft pulp mill. Talk is that within two years, earnings from the new mill will boost over-all earnings rate to $2 a share on basis of some 3,400,000 share outstanding. With Scott paper eyeing possible mill in Eastern Canada, BCF may be used for other major developments as important arm of the U. S. company.

* * *

OVERSEAS MARKETS—London, French, German and other foreign stock markets appear to have settled into sideways pattern following 25% selloff from July-August highs. Prices have recovered about 7% of losses. **Bowater Paper** attracting some Canadian money as it recovers to about $15 from mid-October low of about $12.50. Interest based mostly on expansion in North America, particularly doubling of output of new Tennessee mill. Canadian interest which was strong about six months ago in **Imperial Chemical Industries** has been fading as shares drop back from $7.75 to about $6.25. Earnings of this chemical giant which controls Canadian Industries Ltd., expected to show 12% increase this year.

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B.C. Pr. Offers Stock to BCers

MONTREAL (Staff)—An offering of 150,000 common shares of British Columbia Power Corp. will be made next week to residents of B. C. only. The price will be at the market price on Friday this week. It was trading at $34 on the Montreal Stock Exchange at midweek.

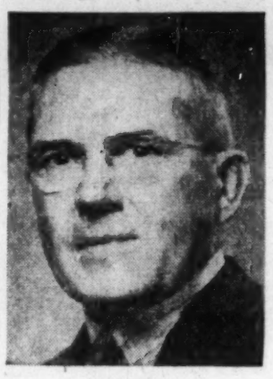
Underwriters are Nesbitt Thomson & Co., Wood Gundy & Co. and Société de Placements Inc. Proceeds will be added to general corporate funds and will finance in part capital expenditures for 1956.

After the issue is sold, there will be 3,399,220 shares outstanding.

B. C. Power is a holding company which, through its subsidiaries, controls an extensive system of public services in B. C. It supplies electric power in the lower mainland and operates extensive transportation facilities.

In 1954, net capital expenditures amounted to $30,427,757 compared with $21,174,926 in the previous year. Net profit for the year ended Dec. 31, 1954, was $5,127,357 against $4,595,257 the preceding year.

TOWN OF SIMCOE, Ont., new issue of $208,548 debentures due Dec. 15, 1956-75 have been sold to a syndicate headed by J. L. Graham & Co. of Toronto and including the Canadian Bank of Commerce. Issue consists of $60,000 3¾% debentures due 1956-65 which town will use for local improvements, and $148,548 4% debentures due 1956-75 for a public school.



H. C. MacGREGOR

has been elected president Federal Grain Ltd., succeeding H. E. Sellers, who became chairman of the board.

Dom. Glass Profits Up 33% For 1955

Net profits of the Dominion Glass Co. for the year ended Sept. 30, 1955, were $2,012,586, 32.9% higher than $1,521,388 in the previous fiscal year.

The volume of business for the year was "The highest in the company's history," President L. J. Belnap says. Net operating profit was $4,285,307 as compared with $2,746,853 in 1954.

Capital expenditures amounted to $1,326,890 and included the cost of construction of new warehouses at Burnaby, B.C. and Toronto, Ont. Elected to the board of directors was sales manager I. R. Macdonald, succeeding the late Mervyn Offer.

At special and annual general meetings to be held Dec. 15, shareholders will be asked to approve a special bylaw enacting a new set of general and administrative bylaws for the company. Existing bylaws date back to 1913, Mr. Belnap states.

Shawinigan Water & Power Sales, Production Higher

MONTREAL (Staff) — An additional generating capacity of three new units will help Shawinigan Water & Power Co. take care of the increased requirements for power during the winter months.

In a letter to shareholders President J. A. Fuller said by installing a sixth generating unit in each of its power houses on the upper St. Maurice, the company is increasing its generating capacity by 118,200 kw.

Two of the new units, one at La Tuque plant and the other at Trenche are already in operation. The third, at Rapide Blanc was expected to go in service at the end of November.

The company is now installing new switching equipment at its Quebec Terminal Station to be ready to receive the first power contracted for from Hydro Quebec's Bersimis development, due to be delivered on Dec. 1, 1956.

"We are also making long-term studies of anticipated growth in power requirements during the coming years to determine the best steps to make sure that we will always have a sufficient power supply available to meet all needs," Fuller said.

Power sales continued to grow during the first nine months of the year and the increase was especially evident in the amount sold to commercial and residential customers. At the end of September, this was 13.8% higher than the same time last year. The increased deliveries of power in the area brought about an increase in revenue from power sales of more than $4 millions over the corresponding period of last year, but it was necessary for Shawinigan to draw large quantities of water from its storage reservoirs in order to generate its power.

Chemical Sales Up

Shawinigan Chemicals Ltd. has improved its volume of sales "markedly" over last year. Expansion, Mr. Fuller said, is once more the order of the day, with a new sulphuric acid plant soon to be built at Shawinigan Falls. The new plant will not only take care of its Shawinigan's needs, but will also help to supply the market in the St. Maurice Valley.

Business has also improved this year for Shawinigan Chemicals' subsidiary and associated companies. Both B.A.-Shawinigan Ltd. and St. Maurice Chemicals Ltd., two associated companies, are working at capacity. Progress over 1954 is also reported by another associated company, Canadian Resins & Chemicals Ltd.

"In fact, even though both Canadian Resins' plants are working at full capacity, the demand for some of its products is greater than the supply, and to meet the situation the plant at Shawinigan Falls is being expanded," Fuller said.

A big expansion program is also under way by another associate company in the U. S., Shawinigan Resins Corp., owned jointly by Monsanto Chemical Co. and Shawinigan Products Corp., the latter a wholly owned subsidiary of Shawinigan Chemicals.

Shawinigan Resins is adding to its plant at Springfield, Mass., in building a new resin manufacturing plant at Trenton, Michigan. This new plant will make possible greater production of the vinyl resin used as an interlayer sheeting for auto-safety glass.

Shawinigan Engineering Co. is building new transmission lines, sub-stations, terminal stations and the installation of new generating units, among other work. Besides its work for the parent company, Shawinigan Engineering is also continuing survey work for the British Newfoundland Development Co. at a proposed power site at Grand Falls on the Hamilton River.

CANADIAN GENERAL INVESTMENTS LTD. shareholders of record Dec. 30 have been given the right to subscribe for one additional share at $25 for each three held. Rights expire Feb. 10, 1956 and shares will sell ex-rights on Dec. 28.

CN Net Revenue Up Substantially

MONTREAL (Staff) — Gross operating revenues of the Canadian National System for the month of October, 1955, amounted to $60,031,000. Operating expenses were $55,154,000, and net operating revenue was $4,877,000. In October, 1954, revenues were $53,507,000; expenses $51,307,000, and the net operating revenue $2,200,000.

The figures do not include taxes, equipment rentals and fixed charges.

The summary follows:

	Month of October 1955	1954	Increase
	$	$	$
Oper. rev.	60,031,000	53,507,000	6,524,000
Oper. exp.	55,154,000	51,307,000	3,847,000
Net rev.	4,877,000	2,200,000	2,677,000
	10 Mos. Ended Oct. 31		
Oper. rev.	562,617,000	530,809,000	31,808,000
Oper. exp.	514,933,000	521,313,000	*6,380,000
Net rev.	47,684,000	9,496,000	38,188,000

*Decrease.

ANNOUNCEMENT

JOHN A. McFADYEN

who was recently elected a Member of The Toronto Stock Exchange. He is President of John A. McFadyen & Co., Limited, 25 King Street West, Toronto.

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The November Issue of
COST AND MANAGEMENT
Official Journal of the Society of Industrial and Cost Accountants of Canada
31 Walnut St. South, Hamilton, Ontario
features
ACCOUNTING: A TOOL FOR PRODUCTION PLANNING
CONTROL OF MARKETING COSTS
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• Trees don't grow to the sky! . . . And investors will do well to remember this if they are thinking about buying low-yielding, so-called growth stocks. Before doing this, why not ask us something about the basic values underlying the stock you are thinking about—its assets, present earning power and reasonably projected outlook.

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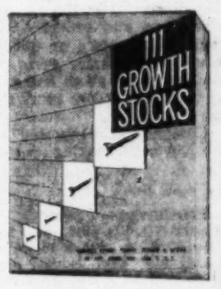

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"CANADA'S EQUITY CAPITAL REQUIREMENTS and FOREIGN INVESTMENT"

Under the above heading in the current issue of our "Investment Review" appears a comprehensive article which will be of interest to every investor. The article notes that substantial equity capital is at present drawn from other than Canadian sources and refers to measures which, it is believed, would increase the amount of Canadian savings available for equity purposes. Specific reference is made, as well, to the number of Canadian enterprises that are wholly-owned by United States corporations, and the desirability of Canadians having some participation in the ownership of these enterprises.

This issue of the publication contains, too, a page of comment on business and finance, items of recent news about various Canadian companies, and a progress report on Canada's uranium industry. In addition, there is a list of investment recommendations.

For your copy of this interesting publication, telephone, call at or write to any of our offices mentioning "Investment Review".

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COMPANY REPORTS

By PAUL S. DEACON

For Your 'Must Read' List

Some Hints for Better Reports to Shareholders

The Canadian Institute of Chartered Accountants has issued a new booklet which is "must" reading for public companies.

Entitled "Financial Reporting in Canada," it reports mainly on what companies are doing, rather than commenting on what they should be doing. However it does draw attention to many situations in which firms are not following generally accepted accounting practice.

The study covers the reports of 275 Canadian industrial and mercantile firms.

The improvement in the standard of reporting shows up all through the volume.

A sample: In 1949, only 24% of the annual reports presented some or all of their statements in comparative form. In 1954, 37.5% gave all their statements in comparative form, 9.1% compared parts of their statements, and 53.4% gave current figures only.

Comments the booklet: "The increased use of this technique indicates the growing recognition of the limitations of a single set of financial statements and the necessity of considering what has gone before."

Incomplete Pictures

It seems incredible in some ways that some companies persist in the old form. Anyone who has to look at annual reports is lost without some kind of comparison with other periods. Company people usually have a fair idea of what has gone before, and the one-year figures mean something to them. But the average shareholder has to hunt around for the previous year's report, or go without the picture he needs of his company's position.

This is a simple thing, and yet important to the people to whom reports are addressed. There are many more phases dealt with in the booklet in its 70-odd pages. For instance, in 1953, 45.2% of the reports failed to state the basis of valuation of the company's investment in subsidiary companies. In 1954, this figure had dropped to 38.8%.

Of the 275 companies, 25 showed both sales and cost of sales, and 13 showed sales only. Although this combined total of 38 was up from 1953's 34, the report notes that in a recent survey in the U. S., only 35 companies out of 598 did not report sales.

The booklet doesn't cover what goes into the report of the directors or the president commenting on the year's activities.

On the subject of adequate disclosure to shareholders, companies might also have a look at an article in the U. S. Journal of Accountancy, December issue. In it, Michael N. Chetkovich, a partner of the accounting firm of Haskins & Sells, has a word for those who make excuses on the grounds that modern reports are too detailed to be useful.

Says Chetkovich: "We all know that verbosity does not mean completeness, but neither does brevity always mean clarity."

Dividend Changes

FRASER COMPANIES — 25c plus 30c extra payable Jan. 23, 1956 to holders of record Dec. 31. Total '56 payments 25c plus 30c extra (paid $1 plus 20 extra in '55; $1 in '54). Recent price: $33½.

BIRD CONSTRUCTION CO. — 40c extra on common payable Dec. 31, 1955 to holders of record Dec. 15. Brings '55 payments to $2.40 plus 40c extra (paid $2 plus 50c extra in '54). Recent price: $46⅛.

HOWARD SMITH PAPER MILLS LTD. — 25c plus 25c extra on common payable Jan. 31, 1956 to holders of record Dec. 31, ex-div. Dec. 28. Brings '55 payments to $1 plus 20c extra (not including Jan. payment). Paid $1 in '54. Recent price: $39.

CORPORATE INVESTORS LTD. — 9c on A & B common payable Jan. 16, 1956 to holders of record Dec. 15. Previously paid 6½c quarterly. Recent price: $9.75.

DOMINION-SCOTTISH INVESTMENTS LTD. — 75c on common payable Dec. 31, 1955 to holders of record Dec. 12, ex-div. Nov. 28. Brings '55 payments to $1 (paid 50c plus 25c extra in '54). Recent price: $30.

MADSEN RED LAKE GOLD MINES LTD. — 5c plus 10c extra payable Dec. 22, 1955 to holders of record Dec. 2. Brings '55 payments to 10c plus 10c extra (paid 10c plus 2c extra in '54). Recent price $2.60.

CROWN ZELLERBACH CORP. — 45c, U. S. funds, on common payable Jan. 3, 1956 to holders of record Dec. 13. Paid 40c, U. S. funds, Oct. 1, '55. Recent price: $54¾.

DOMINION GLASS CO. LTD. — 35c on new common payable Jan. 16, 1956 to holders of record Dec. 30. Paid 80c plus 82½c extra in '55. Recent price: $35½.

Weston Earnings Still A Question

The acquisition of National Tea Co. by Garfield Weston and associates is reported in the U. S. to involve from 350,000 to 500,000 shares purchased from two major shareholders, J. F. Cuneo and R. V. Rasmussen.

How this and other proposed acquisitions may fit into the George Weston Ltd. picture is not yet clear (see page 21), but then, neither is the financial picture at George Weston Ltd. even as it now stands. The sales and earnings of the present concern, or at least the interest of the company in the sales and earnings of all its various affiliated companies, are difficult even to guess at.

For instance, the company owns about half the voting stock of Loblaw Groceterias. But nearly half the $5 million earnings of Loblaw's is applicable to the class A shares. It would take more than $22 millions to call the class A. If this were financed through a debenture issue, it would reduce the earnings and also might incur a tax liability although this tax liability is subject to question. So what would you call Weston's interest in Loblaw's?

Company's interest in sales of its food chain operations could be calculated in the $350-$450 million range. Although Loblaw Grocetarias earns about 2% on sales, the average on the whole group is probably nearer 1-1½% at the moment. This would indicate possible earnings from this source of $4-$5 millions.

On the biscuit and other phases of the business, a 5% return would probably be nearer the mark. This would mean $5 millions to every $100 millions of sales. But these sales figures are not reported separately.

The $3-$4 a share on the present stock talked of in some estimates would require earnings of $9-$12 millions a year. The first figure could be reached on a 1% net on $400 millions of food chain sales and 5% on $100 millions of other sales. Every additional dollar per share earnings would require another $60 millions of "other sales," using the 5% basis. Thus the current price could be low or high, depending on your estimate of Weston's interest in the $750 millions of subsidiaries' sales.

While these are just estimates, it illustrates the kind of figuring investors are doing in their appraisal of Weston shares. And it shows why they're hoping, in spite of problems of consolidating accounts of partly owned companies like Loblaw's, for some kind of statement from the company showing their interest in the many subsidiaries and its worth.

Mr. Duplessis Sights Guns At Quebec Newsprint Mills

MONTREAL (Staff) — Newspaper publishers and newsprint producers are still hotly battling over the price of newsprint. Most of the ammunition so far has been fired at the pulp and paper industry which has held a tight-lipped line.

Into this controversy stepped Premier Maurice Duplessis last week to lay down his terms for a truce in Quebec: preferential treatment for Quebec publishers or possible new controls on provincial mills.

Mr. Duplessis demands lower newsprint prices for Quebec newspapers before the present session of the legislature ends. Otherwise he threatens estabiishment of two boards, one to control newsprint prices, the other distribution.

To date, there has been no indication from the newsprint producers as to how they will treat Mr. Duplessis' apparent ultimatum.

Quebec mills supply about 87,000 tons of newsprint annually to provincial newspapers. This represents about 3% of annual output of some three million tons which is slightly more than 50% of total Canadian production.

On this basis, it seems evident that the heart of the matter is not the tonnage involved but the principle of preferential treatment to one province and whether controls on Quebec mills would be in the best interests of either publishers or producers.

If Quebec did use stumpage dues as a weapon to force newsprint producers to provide lower price to Quebec publishers, it could mean a substantial drain on company income. Assuming it went to the full $6 per cord for stumpage fees, this would represent an estimated additional cost to producers of $14 millions annually.

Automatic Cancellation

There are other factors in the dispute. Contracts between publishers and producers are understood to contain a force majure clause. This pertains to events which might develop and over which the contracting parties have no control.

If Quebec instituted controls, it would mean contracts in the province are automatically void. In the normal course of events, it would mean the mills could enter a contract with anyone they wanted. They would have no problem of getting new contracts because of demand in the U. S. and elsewhere. If the price is lower in Quebec certainly they would prefer to sell abroad.

Controls in the province would no doubt ensure this did not happen, but it would mean new contracts might have to be drawn up. At present many contracts set price by the average price charged by the two or three major producers in Canada.

Reduce Quebec Price

In this regard, Mr. Duplessis has suggested mills must reduce price for Quebec publishers but others could be affected. Some people in the industry point out the contracts between publishers and producers are legal documents and many of them are valid for 10 years.

They say Mr. Duplessis would have to pass legislation to break them. There seems, however, little doubt that if producers offered a lower price, publishers would be glad to enter into a new contract.

But it raises the question as to how publishers in Ontario — and elsewhere — might feel if there is a lower price in Quebec. Ontario takes some 100,000 tons of newsprint from Quebec annually. Not only that, but U. S. publishers — Canada's biggest purchaser — certainly wouldn't be happy about the situation.

Death of Free Press

In the industry it is noted that control of distribution means that each newspaper involved would be beholden to the Government for the amount of newsprint it gets, the price it pays, the terms and delivery. They say it raises the question as to whether it is freedom of the press if newspapers are beholden to the Government.

But there seems little doubt Quebec could bring pressure to bear on producers that they would have to fall in line.

One effective way is in regard to leasing of timber. Companies must submit a 10-year cutting plan to the Department of Lands & Forests and each year this license and plan is up for reappraisal. In addition, a cutting license must be obtained each spring.

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Government of Canada	3	1 Sept. 1961/66	98.00	3.22%
Ontario Hydro Commission	3	15 Dec. 1963/65	97.00	3.36%
Province of New Brunswick	3½	15 Oct. 1970/75	96.50	3.75%
Province of Newfoundland	3¾	1 June 1971/76	97.00	3.97%
Metropolitan Toronto	3¾	1 Nov. 1975	97.50	3.93%
Township of East York	3	1 May 1965	94.09	3.75%
Town of Brampton	4	1 Dec. 1966/75	98.28	4.15%
Regina Public School Dist. No. 4	4	15 Nov. 1966/75	100.00	4.00%
T. Eaton Acceptance Co. Limited	4¾	1 Mar. 1974	105.00	4.35%
Empire Brass Mfg. Co. Limited	5¼	15 Oct. 1973	104.50	4.87%
Loblaw Groceterias Co., Limited	4	15 Oct. 1975	97.50	4.19%
Regent Refining (Canada) Limited	4¼	1 Oct. 1975	97.75	4.42%
John Inglis Co. Limited	4	15 Nov. 1966	93.50	4.77%

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C-I-L To Build Halifax Centre

MONTREAL (Staff) — Canadian Industries (1954) Ltd. is constructing a $300,000 distributing centre to service the Maritimes area.

General contractor is MacDonald Construction Co., Halifax. Architect: J. Philip Dumaresq, also of Halifax.

The distributing centre will contain the Maritime district sales offices of CIL 54's agricultural chemicals, ammunition, explosives and chemicals divisions and the paints and "Fabrikoid" divisions, presently located elsewhere in the city. The credit section will also have an office.

The warehouse portion of the centre will carry chiefly products of the paints and chemicals divisions. Other divisions will continue with their present warehousing arrangements.

Sufficient land has been acquired to allow for future expansion.

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NOTICE

Sealed tenders, addressed to the undersigned, for the purchase of debentures to be issued by The School District of Norwood No. 2113, under its By-Law No. 34 authorized by Order No. 368/55 of The Municipal & Public Utility Board and assented to by the resident electors on October 21st, 1955, and amending By-Law No. 35, in a total principal amount of $410,000.00 repayable in 15 equal consecutive annual instalments of $38,176.66 including principal and interest at the rate of 4½% per annum, except that the first instalment, due November 1st, 1956, shall be $35,000.84 by reason of the debentures bearing interest for a period of less than one year, said debentures being dated January 3rd, 1956, and payable on the 1st day of November in each of the years 1956 to 1970, both inclusive, will be received up to 12 o'clock noon of December 20th, 1955, by the Trustees of the School District of Norwood No. 2113, the said Trustees reserving the right to reject any or all such tenders received.

MISS J. L. GEORGE, Sec.-Treas.
Norwood School Board,
Birchdale & Highfield,
Norwood, Manitoba.

No Risk—No Gain

Everyone complains these days about the lack of risk capital in Canada; about the fact that individual Canadians and Canadian firms want to see the black ink on a balance sheet before putting up any cash. Governments deplore this, too.

As the sittings of the Gordon Commission at Edmonton revealed, failure of Canadian investors to take such risks has led to heavy American participation in the profits of Canadian resource development.

Governments should remember this when they consider their own investment policies. The development of the North is going to cost money, and no one can be sure, at this stage, just what the profits will be. Someone has to take a risk in order to open up the far North. Private firms have taken heavy risks already, and are prepared to do more; but governments have to take risks, too.

This country has been developed by a series of colossal gambles.

Henry VII, who put up the capital for Cabot's journey; Cartier's backers; the original investors in the Hudson's Bay Co.; the early investors in canals and railroads; Sir John A. Macdonald, with his zeal about the CPR — none of these insisted on counting the tangible assets before digging up the cash. Out of these gambles Canada was born.

We've survived these gambles, with a living standard second only to that of the United States (where the gambles were even wilder). We can't expect to proceed, from here on, without risk.

That's Why We Have It

Through federal taxation, the Fredericton Gleaner claims, the people of New Brunswick have often found themselves contributing to projects "that are of little or any value to this region."

It is quite true that they do. And so do people in all 10 provinces, not just New Brunswick.

There is, for example, the Canso causeway, a multi-million dollar project that joined Cape Breton to the mainland. The federal taxpayers in British Columbia helped to pay the cost but it would be pretty hard to figure out the direct benefit they received. But Nova Scotia taxpayers will also be helping to pay for the explosive that will blast Ripple Rock out of the Vancouver ship channel.

Regional critics seem to think that there is something wrong in this way of doing things. But that, after all, is what a federal government and federal taxation are for.

There are a great many national jobs, like the Canso project and the blasting of Ripple Rock. That was the building of the first Intercolonial Railway and the digging of the present St. Lawrence Seaway. There are certain international bridges. There are national harbors. These jobs are too big or too complicated for local or provincial government. They must be done by a federal government with federal taxation or they will not be done at all.

Can't Guarantee a Market

No one knows on this continent much yet about Harry Ferguson's new car. But the British Government seems to think he has something, and Ferguson's record as an inventor makes it unlikely that all the fuss is about nothing.

No matter what comes of the Ferguson design, the events illustrate a basic fact about business that is often overlooked these days. That is: no matter how big the firm or how long-established the industry, it's open to unpredictable risk.

No one can provide the automobile industry with a Guaranteed Permanent Market, because no one can tell when some Harry Ferguson will cook up a new mode of transportation in his basement. No one can write off a company, or an exporting country, because there's always the chance that someone will have an idea. The most colossal firm, with the most carefully detailed program, can be affected by the operation of one human brain.

This kind of innovation is welcome. It's the basis on which our living standards have advanced to their present high level. Firms and industries have learned to adjust to these changes, to make them the basis of expansion, rather than a source of calamity. But these adjustments can't be planned in advance; they have to be made on the spur of the moment, and their effectiveness depends on the ingenuity of management thinking and the flexibility of the operation.

No one can pass laws to protect business (or agriculture) from this kind of risk. No one can predict the effects of such changes on related industry, and on employment — not, at least, until after the change has taken place. As long as human imagination is active, there's no guaranteed security for business.

Queer Work for Queen's Printer

Capitalizing on the pre-Christmas book buying season, the Queen's Printer at Ottawa has issued a special illustrated folder with order blank, covering a selected list of 26 publications. Prices range from 15 cents for a simple pamphlet to $8 for a much more elaborate work.

Doubtless some of this material properly comes from Government printing presses but much of it, one would imagine, could well be left to private publishing which costs the taxpayer nothing.

Why, for example, should it be necessary for the Queen's Printer to put out expensive books dealing with "Radio Fundamentals" or the "Climate of Montreal" or "Logging in Canada?" Even more inexplicable is the publication of three handbooks on how to play and coach hockey.

Maybe King Charles was Right

The Gordon Commission has heard plenty of suggestions for handling the development of Canada's North, but one of the soundest ideas was put forward at Edmonton by C. L. White, general manager of United Keno Mines, who appeared before the Commission as an individual with long experience in northern affairs.

He proposed that any measures designed to help the North should be applied not just to the Northwest Territories, and the Yukon, but to an area beginning on the west coast, about Stewart, B.C., angling across the map toward Red Lake, Ont., and continuing along the 50th parallel toward the gulf of St. Lawrence. This, he says, is Canada's north. It takes in 75% of our area — all but the strip of settlement close to the American border.

If, as Commissioner Collins of the Yukon suggests, tax concessions should be made to individuals and companies operating in the North, those concessions would apply to the whole area, according to the White plan. This will have wide appeal. The special hazards of living in the North are as significant in Northern Quebec as they are in the Mackenzie valley. The need for access roads is as acute in the northern parts of some of the provinces, as it is in the Yukon.

The idea has obvious political advantages. It would be easier to get consent to special measures to promote northern development if the provinces shared the benefits of any proposal. More important, the plan would focus attention on the common problems of the area, and not on the divisions in its jurisdiction.

Northern Canada was opened originally by a series of "gentlemen adventurers" whose territory extended to all the lands drained by rivers flowing into Hudson's Bay. White's north is more limited, but the principle is somewhat the same. Perhaps we still need to treat the North on the grand scale of the Hudson's Bay Company Charter granted by Charles II.

He's Asking the Impossible

"My income is as personal to me as yours is to you," an elected municipal official is reported to have told a voters' meeting the other day. He will have a hard time convincing his hearers on this point. They know, as he himself will learn, that those who accept public office must expect to live a public life.

Fair or not, that is one of the rules or penalties of public service. While it applies to politicians most of all, other classes are by no means exempt and some of them not public office holders at all.

A bank clerk, or any employee in private business holding a position of trust, must expect some curiosity if he suddenly decides to splurge on horses or yachts or diamonds. The policeman is in a similar position. The income tax people keep an eye out for any taxpayers whose standard of living does not seem to jibe with the income officially reported.

Like it or not, most of us live in some sort of a glass house. In our complicated society it just isn't possible to live a completely private life. And for the elected public official it never was.

"I Thought it was a Deer"

Under revised legislation now being considered by the Nova Scotia Government, automatic prosecution with official investigation would follow all hunting fatalities.

At present in most provinces many such accidents are merely reported. As one newspaper has observed: "more fuss is raised if you shoot a cow."

Almost a dozen hunters have already met violent death this season in Nova Scotia. In Quebec and Ontario the toll is many times higher. And more than hunters are endangered. People living and working in country where there is or is supposed to be game, have had narrow escapes.

So long as hunting is regarded as a sport, say a little more dangerous than football, more people are going to get killed every year. Actually, except possibly for Russian Roulette, there are no sports more dangerous, not only for the players but for the spectators too. Other provinces might well follow the example of Nova Scotia and take hunting and hunting accidents a little more seriously.

Need for More Competition

Mr. Howe may remain wedded to his airline policy, let him be fully aware the bride is by no means everywhere popular. There has just been some very plain speaking on this subject from the West.

Manitoba expressed "considerable concern" about the denial of CPA's application for a transcontinental cargo service, and about failure to grant traffic rights to SAS on its over-the-pole route. The Mayor of Whitehorse, N.W.T., put the same point with frontier vigor. "Canadian airlines policy is bankrupt," he said. "Every time the Air Transport Board makes a decision, it costs the North money." Competition for TCA — and also for CPA on its feeder lines — would, he thought, help to bring down the transportation costs that are the main burden of enterprise in the North. As it is, he claimed, the Government, having a bad conscience about denying to CPA its transcontinental cargo license, feels it necessary to preserve for CPA the feeder routes it now operates, and therefore turns down competitors to CPA. That, according to Mayor Allan, simply compounds the original error at the expense of northern development.

Maybe 20 years isn't long enough for an infant airline to grow up and face competition, but Mr. Howe and his colleagues have to remember that their main job is running a country, not just an airline. More and better air transport is an urgent need, if Canada is to make the most of her future.

What Would We do With It?

It was time someone put the $64,000 question to those enthusiasts who would have hundreds of millions spent in vast new irrigation and land clearing projects in Western Canada. Before the Gordon Commission last week the realists asked about markets. And that question must be faced.

Right now we are having trouble enough in marketing wheat and some other products from the farms of Western Canada. But that trouble would be nothing compared with what we would face it, for instance, we could and did replace several million of acres of wheat with irrigated truck crops such as they grow in California or Southern Alberta.

Where could we hope to sell a thousand train loads of lettuce, or carrots or canning corn, peas or sugar beets?

Irrigation is costly and the upkeep must be paid every year, wet or dry. To be economic much more intensive crops than wheat must be produced. Some day, under pressure of population, and if we can find enough water, we may be forced to turn the Regina Plains into market gardens but that is looking a lot farther ahead than even Mr. Gordon's great-great-granchildren will have to worry about.

Napier Moore's Scratch Pad

SOME 6,500 AMERICANS have bought property on the moon. Yes, that's right—the moon.

I've just been reading about it. The office of the Attorney General of the State of New York has announced a probe of Interplanetary Development Corporation, of Glen Cove, which, believe it or not, has found 4,500 persons willing to pay $1 an acre for the earth's satellite. A Mr. Robert R. Coles, who set up the company, claims that his firm recently filed a court claim to the entire moon.

This has Mr. Harry Hall, of Miami Beach, spitting chips. "They're claim jumpers," he told the Miami Herald. "I've already sold 2,000 one-hundred-acre plots at $1 apiece. My claim to the moon was filed back in March, long before theirs." And he has retained an attorney to issue a "cease and desist selling the moon" order to the New York outfit.

The report says that Hall had his wife file a deed to the moon. He bought it from her for $1. Then, as the sole possessor, he proceeded to break up the planet's estimated 52,100,000 acres into 100-acre plots. He claims he has the U. S. Post Office's permission to peddle the moon by mail. "All I'm selling," he says, "is a quit claim deed. It simply states that, when I sell somebody 100 acres, all I'm doing is giving up any claim I might have on that 100 acres." From a small advertisement in Army Times he got 2,000 orders.

Mr. Hall admits that he has never seen his property. Nor, for that matter has the New York firm. But in one respect it is away ahead of Hall. It asks its customers to fill in a card stating whether or not they want reservations on the corporation's first passenger rocket to the moon. Moreover, it offers buyers mineral and oil rights, together with title to any streets or roads abutting the property purchased. The moon is listed as "a realm that is literally out of this world."

• • •

MORE THAN 40 YEARS AGO, when I lived on the Pacific coast, I came to think that Victoria and Vancouver real estate agents had fairly robust imaginations, not to be compared, of course, with that of the moon vendors. In those days of guileless immaturity, I gazed at wondrous artists' conceptions of new subdivisions in cities and towns of the future; pictures which showed beautifully laid out streets and avenues. With my hard-earned savings I bought a lot in a coming resort on the west coast of Vancouver Island, a "city" lot in Prince Rupert, a lakeshore lot in the Okanagan and a lot in a suburb of Calgary.

The Vancouver Island resort is still bush. The lot in Prince Rupert turned out to be an upright cliff. When I went to see my Okanagan lakeshore property I found CPR stern-wheelers running over it. And the first tax bill I got for my suburban Calgary estate came, if my memory serves me, from Red Deer. Or it may have been Wetaskiwin.

• • •

THEN THERE WAS the case of the retired Indian Army colonel.

In 1913, with two other intrepid argonauts, on an ancient sailboat I cruised into Saanich Inlet. Anchoring in Deep Cove, we decided to go fishing in the dinghy, which had a small inboard motor. Off the opposite shore of the inlet, the motor quit. We worked on it for an hour. Then, as darkness was descending and it was too far to row back to the sailboat, we landed on the nearest shore. It was then that from the bush there emerged the colonel. He informed us that we were trespassing. We explained our predicament. The colonel softened. He said, "Ah well, you chaps must come and dine with my wife and me, and we'll gladly put you up for the night."

We made our way through the woods to an isolated house. The colonel excused himself. When he returned he was in dinner clothes. And when his wife appeared she was in an evening gown. We mariners were in oil-stained ducks and sweaters. The furniture in the house looked as if it had come from an old English manor. Silver and linen were exquisite.

After dinner, a simple meal cooked and served by an Indian girl, one of my fellow sailors sat down at the piano, sadly out of tune, and played old English songs. We all sang. Then the colonel told us his story. Retired from the army after many years of service, he had seen in an English magazine a glowing advertisement offering for sale a "gentleman's estate on Vancouver Island." Hunting. Fishing. Everything. After much correspondence, he had sold his family home and with the proceeds plus his savings, bought the Grey Home in the West and shipped out his belongings. He got there to find that he was the owner of an isolated, wild tract of bush, with a tumble-down house. Gone was his vision of fox hunting, of fishing in a private stream. The hunting was for the odd deer. The fishing was on the sea. He was too proud to let anyone know he'd been "had." And there they were, an aging gracious couple, sticking it out on a meagre pension.

Foolish of the colonel not to have an independent, reliable party inspect the place before he bought it. But we left the next morning feeling very sad.

Stop Me If . . .

Little Willie hurried off to school one morning before his mother could inspect his wash job. So, when he sat down in the classroom, breakfast was still visible on his face.

The teacher frowned, and said, reprovingly, "Willie, you didn't wash your face. What would you say if I came to school with egg and jam around my mouth?"

"Nothing," retorted Willie. "I'd be too polite."

UNEMPLOYMENT

Post Scripts

He'll Push Chrysler

During the past 18 months Chrysler of Canada has undergone a far-reaching transformation. Its cars have been radically altered, its sales philosophy pepped up and its executive body strengthened and reorganized.

MR. TODGHAM

It's all part of Chrysler's drive for a much larger share of the market for new cars.

The latest Chrysler executive appointment is another indication of the company's expansion. His name is Ronald Walter Todgham, executive assistant to President E. C. Row and, as such, another helping hand for the man at the top of one of the nation's fastest expanding companies.

Todgham, 45, brings an auto dealer's point of view to his job. From 1939 to 1953 he had his own dealership at Chatham. In recent months with Chrysler, he has been a member of the executive staff on special assignment.

Born in Toronto in 1910, he grew up in Windsor, graduated from the University of Michigan in business administration. During the summers he worked for Chrysler.

At 21 years of age, Todgham was working full-time for Chrysler. For eight years he held responsible positions in corporation sales and advertising.

Since 1943, his hobby has been breeding and racing harness horses on a 50-acre farm near Chatham. Other interests: sailing and hunting.

He's Ontario director of the Federation of Auto Dealers' Associations; secretary of radio station CHLO, St. Thomas; member of the board of trustees of Chatham Public Hospital; past-president of three organizations — Chatham Rotary Club, Chatham Community Chest, Chatham Victorian Order of Nurses.

He is married to the former Alice Russell of Windsor. They have two children: Richard, 18, an engineering student at University of Toronto, and Douglas, 12.

• • •

His Budget Is a Big One

New assistant deputy minister of Veterans Affairs, F. T. Mace has since 1948 been responsible for preparation and control of one of Ottawa's biggest budgets. With annual expenditures of some $260 millions, DVA is the fourth largest spending organization in the Federal Government.

MR. MACE

Mace — the F. stands for Frederick, but he's known as "Gerry" — was born and raised in south-east London, England. His career was shaped partly by a contest conducted in 1928 by a British newspaper chain, seeking to promote Empire solidarity — and circulation. The teen-age contestants were required to write 15 essays per week for four weeks, all on Empire topics. From 10,000 entries, 50 girls and boys, including Mace, were selected to go on a six-week, all-expense, coast-to-coast tour of Canada.

Liking what he saw, Mace returned as an immigrant the following year and went to work on farms in the Moose Jaw and Saskatoon area.

But when the harvest was in, Mace decided to develop his earlier interest in finance. As a youth in London, he had been taking evening courses in bookkeeping. Now he moved to Saskatoon, and became articled as a student with a firm of chartered accountants. In 1934, he was admitted to the Institute of Chartered Accountants of Saskatchewan. He then moved to Winnipeg, joining the audit department of T. Eaton Co.

In 1941 came a turning point in his career even more decisive than the essay contest. As a member of the Royal Canadian Artillery militia, he was called to active service. By the fall of that year, the Royal Canadian Ordinance Corps won the chartered accountant away from the RCA.

After three postwar years with Eaton's, Mace decided he preferred Ottawa to Winnipeg as a home. He joined DVA in 1948 as financial adviser to the deputy minister, and in 1952 was appointed director of financing, purchasing and stores.

Mace married the former Marjorie L. Joel of Winnipeg early in 1940. Their children are Peter, 13, Pamela, 10, and Geoffrey, 9. Football has now replaced golf as Mace's favorite sport, and since moving to Ottawa seven years ago he has not missed a home game of the Rough Riders. This year especially, that demands a high degree of loyalty.

• • •

Big Job Planned

The new president of the Canadian Institute of Plumbing and Heating will be leading the 102 member firms organization in the biggest merchandising program in its 23-year history.

MR. WILLMOT

It's a big job, but Donald Gilpin Willmot (39) is accustomed to responsibility. For the past seven years, he has been president and general manager of the Anthes - Imperial Co. of St. Catharines, Ont.

The CIPH consists of suppliers, manufacturers, wholesalers of all types of heating and plumbing equipment from coast to coast. Its avowed purpose is to further the general interest of the industry and to better serve the Canadian public.

Willmot brings to his post a wide background of experience. In addition to serving as president of Anthes, he is also president and director of Penberthy Injector Ltd., St. Catharines; director Scott Building Products, Welland; president, Ontario Chapter, Canadian Foundation for Poliomyelitis. He is also a member of the Board of Governors, St. Catharines General Hospital; a member of the Association of Professional Engineers of Ontario.

Born in Toronto, March 7, 1916, he is the son of Harold Edward and Florence Elizabeth (Gilpin) Willmot, both of Toronto. He was educated at John Fisher Public School; North Toronto High School; and the University of Toronto. He began his climb up the business ladder as an engineer with Canadian SKF Co., Toronto, where he worked from 1937 to 1938. In 1938 he became plant superintendent of Anthes-Imperial which manufactures heating equipment, soil pipe, water pipe, in 1941 he was made manager of the personnel and public relations, and assistant to the vice-president and general manager of Atlas Steels Ltd., Welland, and in 1948, he became president of Anthes, the post he still holds.

He is married to Ivy Vivian Sutcliffe, daughter of Leonard Sutcliffe, Toronto. They have two sons and one daughter.

For recreation, Willmot prefers golf and fishing, although he is interested in all sports.

What Others Are Saying

Editorial of the Week

Their Role is Vital

Simcoe (Ont.) Reformer

Too frequently it must seem to municipal officials that criticism alone is their lot. Too often the ratepayers are wont to overlook the long hours of faithful and gratuitous service given by members of municipal councils, boards of education and utilities commissions.

Without the leadership of these men and women, it would be impossible to carry on community life in an orderly way. While constructive criticism is alright in its place and no doubt is frequently needed, a word of praise and encouragement would often go a long way towards retaining the services of able municipal servants.

As Nomination Day approaches all citizens should take an interest in securing the most capable men and women to act on these official bodies.

Other People's Views

DESPITE THE MOANS of the professional doom forecasters of a few years ago, points out the **Vancouver Sun**, "there are more people owning more goods here today than ever before."

WHEN CANADA is more prosperous than ever before, says the **Victoria Times**, "it is difficult to understand why we should turn back the clock, revive a policy of economic self-containment, contract out of the Geneva trade agreements, build hot-house industries at the people's expense and risk grave damage to our great established industries."

WE HAVE BECOME SO ACCUSTOMED to revolutionary changes and improvements, points out the **Nanaimo Free Press**, "that we forget they all owe their existence to the work of research scientists. Although man has been recording knowledge for more than 5,000 years, scientific research, which has produced these wonders, is hardly more than three centuries old."

WHEN A RAILWAY tries to save money by moving a station or curtailing a run the public starts to holler, says the **Calgary Albertan**, which observes that: "If public convenience is to take precedence over all other matters in railway management and operation, then perhaps the public should take a different view of freight rates."

INCUBATOR TOWNS (where children are born, raised and trained before they move to the big city) should be encouraged, says the **Dresden (Ont.) Times**. "From these towns come the well-brought-up, well-educated, the conservative and very moral young people. Most industries will eagerly select out a young man or woman for a position, providing they have other normal qualifications, if they are from a small town. Young people from 'incubator towns' tend to be conservative, reliable, and conscientious. Exactly the qualifications that big-city business and industry prizes."

THE CANADIAN FARMER is caught in a serious squeeze, warns the **Farmer's Advocate** (London, Ont.). "While farm income is declining; wages are going up, goods and services are more expensive, corporation profits are startlingly high and in whatever direction the farmer turns he is faced with mounting costs. A large segment of the population is caught in the same squeeze that is making it uncomfortable for agriculture today, but against this inflationary trend scarcely a voice is raised."

The Financial Post

Member Audit Bureau of Circulations
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Subscription — Single copies 20c. Yearly in Canada $6; (two years, $11); all other countries $7 (two years, $13).

Advertising Rates: Single insertion $7.70 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office, Ottawa.

Indexed by The Canadian Index of The Canadian Library Association published monthly and cumulative annually.

Other Publications and Services of The Financial Post

CORPORATION SERVICE. A. C. Bowman, manager.
Special service for investors, $2 per company per year, complete service $32 monthly.
BUSINESS YEAR BOOK. Yearly $2.
SURVEY OF INDUSTRIALS. Yearly $3.
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DIRECTORY OF DIRECTORS. $10.

Published and Printed by
MACLEAN-HUNTER PUBLISHING COMPANY LIMITED
TORONTO 2: 481 University Avenue, EMpire 3-5981.
MONTREAL 2: 1242 Peel St., UNiversity 6-9841.

HORACE T. HUNTER, Chairman of the Board
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OTHER SERVICES: Canadian Press Clipping Service, Commercial Printing Division, National List of Advertisers.

MACLEAN-HUNTER LIMITED
LONDON: Wellington House, 125 Strand, London W.C.2; Cable Atabek; Temple Bar 1616.

MACLEAN-HUNTER PUBLISHING CORPORATION
NEW YORK 36: 522 Fifth Ave., Murray Hill 2-7885.
CHICAGO 3: 79 West Monroe St., Randolph 6-2802.

Representative
DUNCAN A. SCOTT & CO.
LOS ANGELES 5: 2978 Wilshire Blvd., DUnkirk 8-4151.
SAN FRANCISCO 4: Mills Building, GArfield 1-7950.

December 3, 1955

Bruce Hutchison Writes About:

Canada - U.S. Relations

By BRUCE HUTCHISON

The distinguished Ottawa Journal has lately roused itself, rather like a cranky old school teacher lecturing to a class of half-wits, to forbid any public discussion of Canadian-American relations.

That subject, one gathers, is unmentionable in polite society, is too sacred for words and, besides, quite irrelevant. Any publication like this which presumes to consider the current troubles between two friendly nations has been properly put in its place, has earned the schoolmaster's switch and been consigned to the dunce's corner.

It matters not to The Journal that the Canadian Government is engaged in difficult negotiations with the United States on extremely grave affairs, that American policy is greatly injuring this country or that the American public is ignorant of our interests and our intentions. We should say nothing.

"Why, in fact," The Journal demands, "should any one of us want to keep harping on Canadian-American relations at all? The thing just isn't in issue; isn't relevant."

This remarkable passage is quoted not to make the obvious point that The Journal is talking through its hat but only to illustrate the sort of genial nonsense which presently blurs the border and disguises certain disagreeable facts. If this border and these facts are irrelevant, then most of Canada's past history is irrelevant and so are its present and future, since the United States must be the largest external factor in our life.

One Must Have Envy Of The Journal's Splendid Optimism

The Journal's idea, apparently, is to brush all these distressing matters under the rug. Maybe if we don't look at Canadian - American relations they'll quietly go away. One envies The Journal such splendid optimism.

It will hardly be shared by the prairie farmer who finds his wheat market demoralized by dumped and subsidized American exports; by Mr. Howe, who has lately collided publicly on this issue with Mr. Benson; by General McNaughton, who is trying to save the waterpower of the upper Columbia for Canadian use; by Mr. Pearson who must spend half his time talking to Washington; or by anyone who can read a newspaper. Still, the editors of The Journal, alone among all living Canadians, see nothing to discuss.

Alas, they are about to receive a painful jolt. Not long hence there will be plenty to discuss. The only question is how we should discuss it. The method of discussion is not as simple a question as it may appear; is, indeed, almost as important as the subject to be discussed.

There are two familiar and extreme methods of discussion, each of them followed at various times before now—on the one hand, the belligerent, no-truck - nor - trade - with - the - Yankees method; on the other, the apologetic, servile, colonial method of regarding American policy as sacrosanct, infallible and in any case beyond our influence.

Canadian Governments have seldom fallen into one extreme or the other and, for the most part, have talked to the Americans with the manly candor which should prevail between friends. That is what we have the right to expect in the discussions now under way.

Canadians Have An Essential Work Of Education

Plain speaking is needed first because the issues pending between the two countries, and doubtless larger issues of trade and tariffs yet to come, are vital in themselves; secondly, because they will be settled in the end, so far as the United States is concerned, by American public opinion, now quite misinformed or uninformed about these things and therefore in urgent need of information. On Canadian affairs they will get it only from us. An essential work of education must be done and it will not be done in silence.

Thus I am for discussion not because I dislike Americans but because I like and know them so well. If I were an American I would regard The Journal's theory of silence as an affront to my intelligence and goodwill. I would take it as an insult if a Canadian hesitated to talk to me frankly for fear of giving offense to his friend. I would think it a poor friendship in which friends feared to face the sharp points of disagreement and left them to fester in the dark.

Fortunately the friendship of North America is made of sterner stuff. Its only danger is the kind of misunderstanding which comes from double-talk and lack of information.

We have to assume, it seems to me—and have good reason to assume it on the past record—that most people in both countries are sensible and can be trusted if they know the facts. The mischief-makers on either side of the border have always been a small minority.

For example, I received today a copy of some Communist paper published in Toronto and dedicated, of course, to hatred of the United States because it suffers grievously from prosperity under free enterprise. After dismissing me, in the thin semblance of a book review, as an apologist and mere creature of American "imperialism," the writer goes on to argue that Canada must become Communist if it is to escape the neighboring monster. Then it quotes, with evident approval, certain statements by that eminent Communist, Sir John A. Macdonald.

Silence Requested Only By Those Who Have Retired From Reality

This sort of thing can do little harm, since only the converted Communists will pay any attention and they have closed their minds long ago. One need not swallow the Marxian poison, however, to see, as Mr. Pearson has said, that the relations between Canada and the United States are becoming more complex all the time.

One doesn't have to be a Liberal to see that we have and always will have a big stake in the American market, nor a Conservative to see that some of our industries cannot compete, without a tariff, against richer American industries, nor a prairie farmer to see that American free enterprise is systematically undermining free enterprise in the world grain market.

But one must be deaf, blind and feeble-minded, at this point in history, if he imagines that there is nothing to discuss on the 49th parallel. Silence is requested only for the benefit of those who have retired from reality into the editorial offices of The Journal.

Mr. Claus Is Sure To Come So Here's A Cake To Bake

Mother's Christmas cake is going to cost more to bake this year. Increases in prices of several of the essential ingredients indicate that cooks following their last year's recipe will pay about 5% more for their batter.

Main items showing a price rise include almonds and pecans, baking powder, eggs, flour and dates. Sugar is listed down slightly on the year. For most of the ingredients supplies are reported adequate to meet expected Christmas needs.

Here's a recipe for Christmas cake recommended to The Financial Post by the Chatelaine Institute (approximate prices bracketed with each ingredient):

- ½ lb. shaved candied citron (24c)
- ¼ lb. shaved orange peel (11c)
- ¼ lb. shaved lemon peel (11c)
- 2 cups stoned dates, quartered (22c)
- 1½ cups seeded raisins, halved (27c)
- ½ lb. candied cherries, halved (39c)
- ½ lb. candied pineapple, small wedges (38c)
- 1 cup shredded cocoanut (11c)
- ¼ lb. blanched almonds, coarsely cut (33c)
- ¼ lb. pecans (66c)
- 2 cups sifted flour (4c)
- 1 tsp. baking powder (1c)
- ½ tsp. ground cloves (6c)
- ½ tsp. ground nutmeg (5c)
- 1 tsp. ground allspice (5c)
- ½ lb. butter (32c)
- 1 cup granulated sugar (2c)
- 5 eggs (28c)
- ½ cup orange juice (4c)

The directions:

Combine the shaved peel, prepared fruits, cocoanut and nuts in a large bowl. Add ¼ cup flour and mix lightly until pieces are separated. Sift the remainder of flour with baking powder and spices. Cream butter until light, add sugar gradually until mixture is very light and fluffy. Add eggs, one at a time, beating thoroughly after each egg, keeping mixture very smooth. (If mixture begins to curdle while eggs are being added, add a little flour.) When eggs are thoroughly combined, add sifted dry ingredients alternately with fruit juice, mix well and pour over the prepared fruit and nuts in bowl. Mix thoroughly and bake in two or three paper-lined loaf tins for 2½-3 hours in a slow oven (275 deg. F.).

Total cost: Roughly $3.75 for an approximately 6 lb. cake (not counting labor, band aids, burned batters, spilt containers, etc.). Grocery store officials queried by The Post said the average price of a 3-lb. commercially baked Christmas cake containing about the same variety of goodies would be about $3.60.

There is no extra charge for this Financial Post Christmas service. Samples of cakes baked should be addressed to The Editorial Department, The Financial Post, Dundas & University, Toronto.

Can. Chemicals Builds Plant

MONTREAL (Staff)—Canadian Chemical & Cellulose Co. plans to begin construction of a warehouse and processing plant at St. Johns, Que., within two weeks. The plant will cost $1,250,000 to $1,500,000 and target date for completion is next summer. Initially it will employ 75 to 100 people.

The new plant will provide twisting and beaming operations for the company's yarns and staple fibre which is produced at the Edmonton plant of Canadian Chemical Co., a wholly-owned subsidiary. Plans call for a 120,000 sq. ft. building. Acreage is sufficient for considerable expansion and the building has been constructed to allow for this.

The yarns are produced on cones at Edmonton at present but the trade prefers them on beams.

Chemical Firm Plans Plant At Edmonton

Edmonton, Western Canada's burgeoning chemical centre, will be the location for another chemical plant representing further product diversification.

American-Marietta Co. of Canada — West Coast producers of adhesives and resins, mainly for the plywood industry — will build a new plant at Edmonton for production of synthetic resins.

The new plant will serve the plywood and allied industries in Alberta. Plentiful supplies of essential chemical raw materials e.g. formaldehyde, later urea, will be available from nearby chemical plants. Plans have now been completed for purchase of the Edmonton property and equipment is on order. The company operates a modern adhesives and resins plant at New Westminster, B.C. An expansion move is currently under way at this plant.

American-Marietta Co. of Canada is a subsidiary of American-Marietta Co., Seattle, Wash. The adhesive, resin and chemical division of the U. S. company has plants in Seattle and Portland serving the wood industry in this area.

Air Force Tests Arctic Freighter

The Royal Canadian Air Force was making preparations this week for winter flight tests of an airborne Arctic freighter that may solve a multitude of problems arising from the need to supply DEW line radar stations with fuel, food and other supplies all year round.

The new airfreighter is the huge Blackburn Beverley Tanker now in service with the R.A.F. as a transport and paratroop carrier. The Beverley is expected to arrive in Canada next week for winterization trials which will be carried out from the Air Force's base at Edmonton.

Field Aviation, of Oshawa, represents the British manufacturer. Field officials say the big Beverley is particularly adapted for the complex duty of supplying fuel and other items to Arctic stations during periods of weather extremes.

The aircraft has a maximum payload of 22 tons carried in a low-slung boxlike hold that measures 40 x 10 x 10 ft. It can carry some 160 passengers or an equivalent of freight.

The Beverley will be one of the largest aircraft ever to fly from a Canadian field. Its wingspan is 162 ft. It is 99 ft. long and stands 33 ft. high.

Powered by four 3,150 hp. Bristol Centaurus engines, it cruises at about 225 mph. One Beverley characteristic that may be of value in Canadian northern operations is the fact that its takeoff and landing requirements are similar to those of much smaller twin engine planes. Purchase price will be about $1 million.

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Do you really know how old you are?

BEFORE you answer this question, read this story about a boy, his mother and an elderly lady.

"How old is your son?" the elderly lady asked.

"Physically, he's 10. Emotionally, about 7. Intellectually, around 15. Counting birthdays, he will be 9 next Sunday," the mother exclaimed.

Like the little boy who was 10, 7, 15 and 9 years old, no one has a *single* age, regardless of birthdays.

This is because aging occurs in different people at different rates in different parts of the body. This applies also to one's mental and emotional make-up.

So, despite the calendar, in some ways you may always be "young." In other ways, you may be "older" than your years.

Everyone wants to stay as "young" as possible throughout life. Fortunately, there are ways to help retain certain youthful assets, even into the "sunset years."

Perhaps you are only in your 20's or 30's now . . . a good time to start planning for living long and happily. In fact, the seeds for health and contentment in your 60's, 70's or 80's should be planted during your youthful years.

Foremost among your early preparations are annual health examinations. Through them, your doctor can watch for clues to mental and physical impairments which, though minor today, could grow worse as time passes.

Correction of any defect . . . at its very beginning . . . is the best way to help keep that defect from interfering with your future hopes and plans.

A younger person's health program should also include observance of good health habits. It is both possible and wise . . . to get enough sleep and rest, to eat properly, to exercise sensibly . . . and still not miss any fun during the prime of life.

After age 40, two things become very important:

1. Guarding against degenerative diseases, such as heart and blood vessel disorders, diabetes and arthritis.
2. Preparing for your retirement years.

Health examinations may, sometimes, be desirable at least *twice* a year after mid-life to help prevent, postpone or control degenerative ailments. Greater care, too, should be given to nutrition. A good, *varied* diet may help delay certain aging processes.

Naturally your living habits change as you grow older. So, to keep mentally happy, include a hobby in your plans for the leisure years. A healthy emotional attitude helps all of us to stay young at heart, and an absorbing hobby is a real aid to this end.

If you are growing older (*and aren't we all?*), you might like to know some of the things many doctors recommend for those who are now 65 and older.

This information is in Metropolitan's booklet, *Your Future and You.* Just mail the coupon below for your free copy.

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More Bank of Canada Moves To Tighten Money Supply?

(Continued from page 1)

halt the credit-expansion trend.

Another possible explanation is this: the banks are doing a huge business, investing all available funds — and to maintain liquidity they would rather sell bonds the expensive way (when prices are low) than restrict lending. This assumes the banks see a more liquid position developing naturally over the next few months of seasonal slowdown.

It may be that Ottawa economist bankers feel that the healthy boom is on the point of turning into a borrow-and-buy inflation. Despite past central bank signals to tighten credit:

—Annual statements for the yearend Oct. 31, 1955, from the chartered banks show their loans that go largely to business are up anywhere from 14% to 85%;

—By mid-November, chartered banks reported to the Bank of Canada that their "other loans" totaled $598 millions or 14.6% above the level of a year ago;

—Also at mid-November, chartered bank holdings of corporation bonds had increased $138 millions or 41% over a year earlier;

—In their search for money to finance business expansion, chartered banks have decreased their holdings of Treasury Bills by some $300 millions from midsummer, retaining just about as many as they did a year ago in spite of substantially greater total assets.

Discount Rate

This does not mean the chartered banks are ignoring the Bank of Canada lead. Experience shows it takes from four to eight months for a monetary move such as an increase in the discount rate to take full effect. The bigger discount should force chartered banks to slowly reduce new commitments to get themselves in a more liquid position and better able to handle financial undertakings without recourse to the now more expensive Bank of Canada loans.

That's what the increased discount rate should do and there's a good chance it may. In the past several weeks the chartered banks have been borrowing more often and borrowing larger sums from the central bank to get ready cash. Last week these hit a record of $32 millions.

If central bank economists are convinced Canadians are mortgaging their future beyond the point good for the economy, and that spending is nearing the limit of productive capacity despite measures already taken, they may decide another restrictive move is in order.

Direct consumer credit controls are out of the question today with no Korea-like emergency to put public support behind the legislation that would be necessary. This leaves monetary controls — central bank discount rate and chartered bank reserve requirements — as weapons to fight inflation. But it might take repeated and strong applications before the central bank could really slow up consumer spending and business borrowing.

The individual car buyer, for example, is not affected as sharply by a rise in the central bank discount rate as he is by an increased down-payment requirement. Several bank rate hikes might be needed before the effect sifts down to him.

So some observers are arguing that with a mounting import surplus, with less American buying of Canadian bonds and debentures, with today's discount rate having little effect on still-high bank borrowing, Ottawa may decide another monetary move — perhaps a severe one — is needed to keep the 1955 boom on a sound basis. Their nominee: An increase in the reserve requirement from today's 8% to 9%. This, they say, would sop up an estimated $1 billion, dampen the rate of borrowing, raise interest rates as money became more expensive to borrow, attract foreign capital and cut down imports.

Not many financial observers agree that such drastic measures are called for, however. They say that if the Bank of Canada increased chartered bank reserve requirements from 8% to 9%, it would be akin to ringing a fire alarm. It's regarded as a last resort.

$250 Millions In Expansion In Auto Industry Cards

(Continued from page 1)

industry thinks. It should keep rising.

Second, as incomes rise more people who have not been able to afford new cars will appear in the market place.

Third, as automation increases in industry the length of the work week will continue its decline. This will mean more tourism, more car driving. The expected result: A slowly increasing rate of car scrappage.

The trend to decentralization isn't likely to mean that current centres of auto production — Oshawa, Windsor and Oakville, Ont. — will suffer. They are almost certain to retain present facilities, possibly with some expansion.

The hurrying and scurrying over auto industry growth plans results primarily from the amazing 1955 market.

The industry expected to bounce back from a poorish 1954. But the bounce has become a pole vault.

New car sales this year now are expected to better the approximate 360,000 of 1953, far exceed 1954's 310,000.

This has caused automakers to raise their sights. Instead of assuming sales of 325,000 new cars yearly, they're thinking in terms of 350,000 and more.

Bermuda Beckons? Go Buy a Ford

Toronto's Elgin Motors — Canada's biggest Ford dealer — currently is offering a free, six-day Bermuda trip with each new car costing from $2,095 (for a two-door Ford mainline with heater) upward.

Travel agencies book week-long Bermuda trips for between $150 and $225. Trumpeted Elgin's ads: "Elgin Plays, Santa . . . Volume Selling Makes Free Bermuda Trip Possible."

Meanwhile Elgin is showing continuous movies of Bermuda, has clothed salesmen in holiday attire, decked showrooms with tropical props.

This spectacular sales gimmick brought immediate reaction from Ken Holman Motors of Long Branch, a Toronto suburb. This volume Dodge-Desoto dealer bought ads proclaiming: "Free trip to Long Branch . . . Save as much as $787 to spend where you wish."

It's all part the best auto production and auto selling year in Canada's history.

Synthetics Cut Prices

(Continued from page 1)

when U. S. imports — all Dynel, Orlon and Acrilan supplies are currently coming from U. S. — have climbed to record levels and marketing outlook is at its brightest. Demand in U. S. and Canada has been such as to strain limited production facilities in U. S. This week a major Canadian importer of Dynel was placing orders for late January deliveries.

This week's 25c a lb. cut in nylon will bring prices down to most competitive levels since that fibre was first marketed in this country late in World War II (new prices on staple and tow range from $1.20 to $1.38 a lb.). The cut has come at a time when sales have been climbing back sharply from last year's low levels.

The staple and tow markets represent biggest volume outlets for practically every one of the manmade fibres. It is in this form that the synthetics are sold for the big cloth, fabrics, applications.

A recent U. S. survey shows output of manmade fabrics running 40% ahead of last year (not including cellulosic fibres); rayon and acetate up 17%; real silk up 14%; cotton up 7% and wool trailing the field at 6%.

The highly-publicized acrylics — Orlon, Acrilan and Dynel — which appear to have such promising applications in a wide assortment of clothes, industrial cloths, fabrics, etc., mainly in blends, are true synthetics, made from coal, air, water, petroleum, limestone and natural gas. The older rayon and acetate are made from chemically treated wood chips.

When the fast-expanding market demand in this country has reached satisfactory levels it's almost certain that Du Pont of Canada will manufacture Orlon in this country and Union Carbide Canada, Dynel.

Bank of Canada's Support Of Bond Market 'Temporary'

OTTAWA (Staff)—The large-scale selling of government bonds —which started before, but substantially increased after last week's meeting between the chartered banks and the Bank of Canada—may have compelled the Bank of Canada to support the bond market even at the cost of putting extra cash into the bank's hands temporarily.

This runs counter to the official policy of tightening credit; but clearly it is intended to be short-lived.

For a few days, the Bank of Canada may need to buy more government bonds than it sells—thus putting more cash into circulation, when it would rather put less—but conditions will likely soon enable it to restore the situation by finding new buyers for the bonds.

The credit-tightening policy has not slackened. Nor is there any sign that the Bank or the Government is preparing to resort to more direct measures.

The required cash ratio for the chartered banks — still at 8% — cannot now be raised before February. Consumer credit restrictions are not at present being considered.

The Bank of Canada always refuses to reveal what takes place at its meetings with the chartered banks. But The Financial Post has other high authority for stating that nothing was said at last week's meeting about raising the cash ratio.

If the Bank of Canada had intended to raise the ratio, it would have had to give notice in the Canada Gazette by this Wednesday in order to make the increase effective in January. The Act requires that notice shall be given a full month before the month in which the increase is to take effect.

(Under the new Bank Act, the chartered banks are required to see that their holdings of cash average over a month at least 8% of their deposits. The Bank of Canada has power to raise this ratio after giving notice. Since some of the chartered banks have been scraping the bottom of the required 8%, there had been speculation about its being raised.)

What Took Place

What did take place at last week's Bankers' Association meeting with the Bank of Canada and the Government, The F.P. learns, was a considerable discussion about the banks' liquidity. (K. W. Taylor, the Deputy Minister of Finance, attended the meetings; and Finance Minister Harris was at the dinner in the evening.)

The chartered banks have, as a result, undertaken a study among themselves of the sort of balance which it would be desirable to maintain in their holdings in order to ensure an appropriate supply of resources which can be cashed on fairly short notice.

The intention is not to produce a rigid, binding formula, but rather to supply a sort of benchmark by which each bank could judge its position. A report will be made to a later meeting between the Bankers' Association and the Bank of Canada.

It may be that this discussion about shifting their resources into more liquid forms stimulated the chartered banks' sales of government securities. Most of the last two weeks' sales are attributed to the banks, with investment dealers also hurrying to reduce inventories.

This offers the authorities a twofold hope of stabilizing the bond market without putting too much extra cash into circulation:

1. The chartered banks are probably starting to restock with Treasury Bills, after running down their holdings sharply since August. These are among the most liquid form of holdings. In so far as the Bank of Canada can sell Treasury Bills to the banks in place of short-term bonds, it can prevent any increase in their cash holdings.

2. Corporate holders are already beginning to shift from Treasury Bills to the earliest maturities among the government bonds. It is thought that this movement may increase significantly, particularly as soon as the bond market is stabilized.

Short-term government bonds already have the attraction of substantially higher yields than Treasury Bills; and they also have an important tax advantage, particularly for any buyer who expects to be able to hold them to maturity.

Discussion of the credit situation in authoritative circles here indicates that the squeeze is not being directed at any particular sector.

Consumer credit is admittedly large; and it will certainly be a good deal larger before the Christmas sales are over. It looks from here as though there will be a tremendous surge of retail sales before Christmas. But in the new year consumer credit usually undergoes a seasonal decline. The time to consider restrictions on consumer credit would occur then, if it did not decline according to the regular seasonal pattern.

Inventory accumulation according to the not very reliable evidence available, is not excessive; and it is not giving special concern.

But it is the projected capital investment programs which loom ahead as being liable to overtax the economy.

The weapon of interest rates, and the orthodox credit squeeze through monetary policy, are regarded as relatively slow in operation. Looking ahead six months, it is stated, the economy must be protected against the attempt to accomplish too much too quickly. Curbs will be applied inevitably, either through higher prices or through higher interest rates.

The most desirable way of keeping the economy at full steam, without all the unpleasant pressures of overfull steam, is considered to be to discourage overmuch spending by making credit expensive. But this is a flexible operation which leaves it to the market to determine which this is held to be preferable to direct controls aiming at any particular activities.

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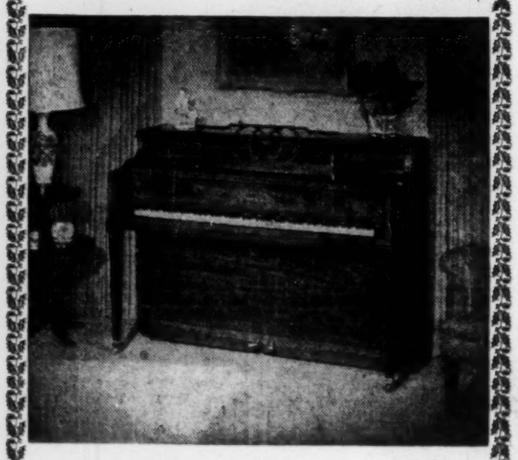

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FACILITIES FOR STORING FUEL-OIL AT MORSE CREEK, PRINCE RUPERT, B.C.

Sealed tenders will be received by the Department of National Defence for Canada if posted prior to 1 December, 1955, and marked for the attention of the Naval Secretary, Ottawa, Canada, for a licence to use the facilities for storing fuel-oil at Morse Creek in Prince Rupert, B.C., more fully described hereunder:

(a) Three steel tanks for storing fuel-oil, each with a capacity of 34000 U.S. barrels, protected by bunding of earth, capable of being serviced by 12" and 8" pipe-lines through fuel pumps to outlets on a wharf.
(b) A building containing a steam boiler with a capacity of 6000 pounds of steam per hour at a working pressure of 125 pounds; and three fuel pumps, driven by a Diesel engine, with the necessary manifold and valves for the purpose of handling oil between the wharf and the tanks, and including an oil heater with a capacity of 1000 U.S. barrels per hour.
(c) The 12" and 8" oil lines extend from the fuel pumps to tanker and discharge outlets on the wharf, together with a 6" water-line for protection from fire.

The said facilities are available subject to the following conditions:

1. All the property subject to the licence, including the wharf and a trestle carrying the pipe-lines to the wharf, are to be made available to the licensee in their existing condition, and the licensee shall undertake no alterations without the written authority of the Department of National Defence. If alterations are required and authorized, the licensee shall make them good on the termination of the licence and return the property in its former condition.
2. The licensee shall during the term of the licence maintain, and at the end of the term shall return, all the property subject to the licence, including the wharf and trestle, in as good a condition, as when it was made available to him.
3. The licensee upon the termination of the licence shall drain all the pipe-lines, empty the tanks, remove from them all sludge, etc., and leave the interiors of the tanks in a condition satisfactory to the Department.
4. In the event of an emergency, as defined in the National Defence Act, the licence may, at the discretion of the Minister of National Defence, be terminated by him forthwith and without notice to the licensee.
5. Interested parties may examine the facilities on the site before tendering, and inspection shall be arranged by, and further information may be obtained from, the Civil Engineer in Chief, Naval Service, National Defence Headquarters, Ottawa.
6. The tenderer shall state in his tender the use to which the tanks will be put and the type and classification of fuel proposed to be stored therein.
7. The licensee shall indemnify and save harmless the Crown from all claims for damage or loss arising out of or in any way attributable to the granting of the licence.
8. The licensee shall insure all property subject to the licence against fire; he shall insure the installations and equipment also against theft, and the wharf and trestle also against collision. All policies of insurance shall be submitted to the Department for approval. The wharf shall be insured for $50,000.00 and the rest of the property subject to the licence shall be insured for $250,000.
9. The licensee shall, for the purposes of the licence, have use of the site containing about 44 acres.
10. The highest or any tender will not necessarily be accepted.
11. The tenderer should state in his offer for what period he desires to use the said facilities. They will not be required by the Department except in the event of an emergency as stated above.

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MANAGED INVESTMENT

MacNab Buys Alcan Pfd. Sells 40 Shares Of Inco

MacNab's manager has bought 50 shares of the new Aluminum 4½% preferred issue and sold his client's holding of 40 shares International Nickel at a profit of more than $1,900.

He sold the International Nickel shares at $81 per share, $47.75 a share more than he paid for them.

Here are the details of the two switches transacted since Oct. 15:

Par			Price	Amount	Income
	Purchases				
50 shs.	Aluminum Co. 4½% pfd.	(Nov. 16)	51.25	2,562.50	112.50
50 shs.	Montreal Locomotive Wks.	(Nov. 8)	17.25	862.50	50.00
	Sales				
40 shs.	International Nickel	(Nov. 16)	81.00	3,261.61	150.00
$1,000	Brazilian Traction 4½%/71	(Nov. 8)	82.50	825.00	45.00

Note: Cost includes commission.

MacNab's Manager Says:

The advance which commenced coincident with the recovery of President Eisenhower has continued and the Dow Jones industrial averages are within striking distance of the former 1955 high of 487.45 as this letter is written on Nov. 16.

No good reason was apparent to sell any of your holdings of Canadian stocks during the past month. However, I have sold $1,000 par value Brazilian Traction 4½% convertible bond and re-invested the proceeds in 50 shares Montreal Locomotive. This transaction was reported to you on Nov. 8.

Subsequent to this transaction the Brazilian Government has been overthrown which further justifies my decision to maintain all of your investments in Canada in the future, even though I was not aware that a crisis in the Brazilian Government was to take place so soon.

Some comment on Montreal Locomotive may be of interest to you at this time. An offering of 250,000 common shares was made recently by a syndicate of Canadian investment dealers at a price based on the market at the time which was $17¼ per share.

This does not represent any new financing by the company but represents shares purchased from Alco Products Inc., formerly American Locomotive Co. of which Montreal Locomotive was a wholly owned subsidiary until 1946 when the American Locomotive sold 300,000 common shares for distribution in Canada. The company has a ten-year agreement with Alco Products for technical services and the right to manufacture their products in Canada for sale in world markets.

It is of considerable interest to Canadian investors to note that the company has diversified its products and has recently undergone a change from a railroad equipment company to the manufacture of pulp and paper machines and equipment for the petro-chemical industry and the petroleum industry in Canada. In addition to this the company has a backlog of orders from the Canadian railroads in excess of $12 millions which consists of orders for 23 1,600-hp. diesel locomotives and 50 1,000-hp. road switching engines.

In connection with the manufacture of pulp and paper machines the company has entered into an agreement with Black Clawson Co. of Hamilton, Ohio, for the manufacture in Canada of their products under license.

At the current annual dividend of $1 the stock yields at current price close to 6%. There are no bonds or preferred shares outstanding. The company recently declared a $9 dividend which represented a distribution of a part of the company's large surplus in excess of operating requirements to shareholders of which a large portion went to the parent company, Alco Products. Earnings per share amounted to $1.70 in 1954 and $1.65 in 1953.

Due to the large dieselization program of the Canadian railroads I consider it advisable to include one of the railroad equipment companies in your portfolio, both for the attractive income and for possible long-term growth prospects.

The recent trend has been quite bullish in the base metal stocks of which you are holding International Nickel, Consolidated Mining & Smelting and Noranda Mines. You have a large paper profit in these stocks, but I will continue to hold them only so long as future prospects justify this policy.

The pulp and paper group has also shown a substantial recovery and in this group you hold Abitibi preferred and common, B. C. Forest Products, which has recovered from a recent low of $13 to a high of $16½, Powell River which has recovered from a recent low of $52 to a current price around $54, and Howard Smith Paper, which has also shown some recovery and is currently quoted at $40.

The steel industry shows prospects for the current year and I have added to your portfolio recently the shares of Dominion Foundries & Steel Co. Although the yield is negligible I consider this company has very promising growth prospects.

As a result of a lower net profit for the current fiscal year Distillers Corp.-Seagrams common has sold off to a current price of $41. It is interesting to note that the company earned $3.54 per share for the fiscal year ending July 31, 1955, compared with $4.09 for the previous fiscal year.

I have decided to sell all of your holdings of International Nickel at the current price of $81. Your cost on these shares was $33¼ which gives you approximately 47¾ points profit or $1,910 profit on 40 shares. With the proceeds I have purchased 50 shares Aluminum Co. 4½% preferred stock at $51¼. Dividends on this new preferred which has been issued in the amount of $60 millions to refund $30 millions of the old 5¼% second preferred and the balance for additional working capital have been earned nearly 10 times during the past year after allowance for dividends on the first preferred stock.

This will increase your holdings of defensive securities, which has been reduced recently by the sale of $1,000 Brazilian bond, and will provide you with dividends of $112.50 per annum on the Aluminum preferred compared with current dividends of $150 on International Nickel.

A valuation of your account is enclosed herewith which totals $35,937 compared with $35,247 as at Oct. 17 when the last valuation of your account was made. This represents a capital gain of $690 or 2% of the value of your account.

Investment income in the month ended Nov. 15 amounted to $44.38. After the usual monthly withdrawal of $40, and expenditure of $37.50 in the switch from Brazilian Traction to Montreal Locomotive the cash balance was reduced to $131.61

Here is the position of the MacNab account at Nov. 15:

MacNab's Account Now Stands:

No. of shs.		Cost per sh.	Mkt. per sh.
	COMMON STOCKS		
40	Abitibi	$25	$36½
30	Bank of Nova Scotia	37	58
100	B.C. For. Prod.	10	16
50	B.C. Telephone Ord.	34½	48½
60	Cdn. Pacific Rlwy.	17⅛	22⅜
30	Cons. Min. & Smelt.	29¼	37¼
30	Dist. Corp.-Seagrams	27¼	41
100	Imperial Tobacco	10¾	11½
40	Internat. Nickel	33¼	80
50	Internat. Util.	21½	41¾
20	Noranda Mines (new)	34.437	53
50	Powell River	26⅜	54¼
40	Howard Smith	21¾	40
20	Hiram Walker	43½	70
50	Sicks Brew.	28½	28½
25	Dom. Fdries & Stl.	25	30
50	Montreal Loco.	17⅛	17⅝
	PREFERRED STOCKS		
50	Acadia Atl. Sugar A.	17¾	24¼
25	B.C. Elec. 4½%	50	52
40	Abitibi P. & P. $25 p.v. 4½%	24½	26½
25	Shawin. W & P 4%	48	55
	CONVERTIBLE CORPORATE BONDS		
$1,000	Cdn. Pacific 3¼%/66	100	107
1,000	Dom. Stl. & Coal 4%/61	100	101
1,000	Dom. Tex. 4%/66	100	99
	Market value		$35,805.00
	Cash		131.61
	Total value		35,936.61
	Original amount invested		10,000.00
	Capital gain		25,936.61
	% capital gain		259.37
	Indicated annual income		1,433.75
	% yield on orig. invest.		14.34
	% yield on mkt. value		4.00

Compton Account Gains With Market Recovery

In the month ended Nov. 15 Compton's account recovered more than half the ground lost in the market slump after President Eisenhower's illness. Compton's annual income also increased.

During the past month the value of the account rose approximately $1,950 in contrast to the drop of $3,300 which it suffered in the previous month.

The value of the account was $32,275 at Nov. 15, $30,325 at Oct. 15, and $33,625 at Sept. 15. Compton's prospective annual income rose $145, to $1,467 from $1,322, due to two dividend increases.

Compton's Manager Says:

No stocks have been bought or sold by Compton between Oct. 15, when I last reported on his account, and Nov. 15. Subsequent to the news of President Eisenhower's illness, the stocks in Compton's account, valued at market prices, had depreciated by $3,296, from $33,629 to $30,333 at Oct. 15.

Between Oct. 15 and Nov. 15, more than half of the lost ground was regained. As of the latter date Compton's holdings had recovered to a market value of $32,277, still $1,352 below the record figure of Sept. 15.

Meanwhile, Compton had benefited as a result of two further dividend increases: Hudson Bay Mining and Smelting paid $5 per share, instead of $4; and International Nickel, $3.75 instead of $2.90.

Compton's annual rate of investment income thus increased during the month, by $145, from $1,322 to $1,467.

After President Eisenhower's unfortunate thrombosis, the stock markets in New York and in Canada fell almost equally. In New York, the Dow-Jones index of industrials fell 10%, to a low of 438.59 on Oct. 11. In Canada, the DBS investors' index dropped 9.1% and the DBS industrials 9.5%.

But in the subsequent recovery, the American markets have outstripped the Canadian. At the close on Nov. 18, the Dow-Jones index stood at 482.91, less than 1% below the high level existing just before President Eisenhower's attack.

During the preceding week, the index actually rose above the previous high. Some of its strength was caused by the action of stocks not listed in Canada, such as Du Pont and Standard Oil of New Jersey.

At the close on Nov. 17, the weekly figure of DBS investors index was still 4.5% below September's high and the DBS industrial index was 4.6% below that level.

Thus, on the average, Canadian markets have regained only half of the ground lost since the market tumble.

During the month ended Nov. 15, Compton received no investment income. After the usual monthly withdrawal of $60 the cash account was reduced to $166.20.

Compton's Account Now Stands:

No. of Shares		Cost per share	Market value Nov. 15
	Common Stocks		
100	Abitibi	$12.86	$36.50
35	Aluminium	50.25	109.00
25	C.P.R.	24.81	32.50
100	Powell River	24.31	54.25
20	Shawinigan	72.68	67.375
35	Hir. Walker	47.73	70.00
	Mining Stocks—Base Metals		
25	Cons. Smelt.	17.00	37.125
60	Hudson Bay	50.53	67.625
100	Intern. Nick.	49.32	80.50
100	Waite Amulet	16.05	15.75

SUMMARY

	Agg. book value	Mkt. value Nov. 15	Prosp. ann. Inc.
Com. stks.	$9,232	$17,500	$613
Base met. stks.	9,994	14,611	854
Cash	166	166	...
	19,392	32,277	1,467
Curr. mkt. val. of fund			$32,277
Prospective annual income			1,467
Av. yield on orig. $10,000			14.67%
Av. yield on curr. mkt. value			4.55%

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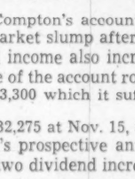

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Plan $1.5 Million Bridge In N.B.

From Our Own Correspondent

FREDERICTON—Several sites for a proposed $1.5 million highway bridge across the St. John River here are being considered by the Provincial Government.

Present plans call for the bridge to act as a connecting link in the Trans-Canada Highway and to be financed jointly by the Federal and Provincial Governments.

Premier Flemming stated his government is looking for "maximum financial benefits" from the Federal Government to assist with the costly burden of construction.

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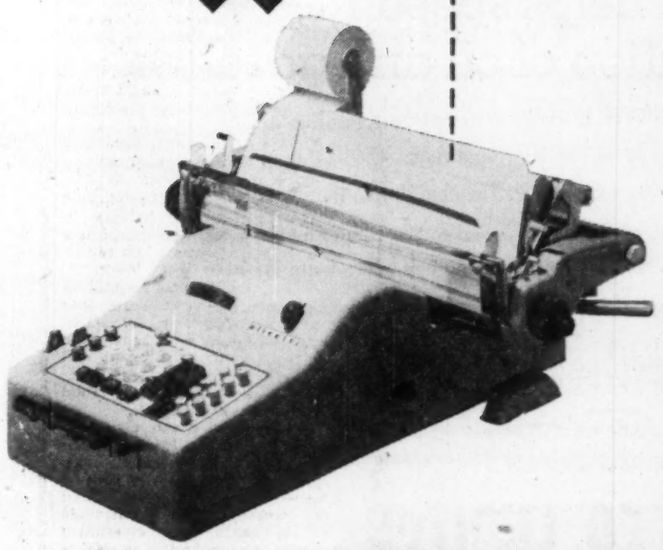

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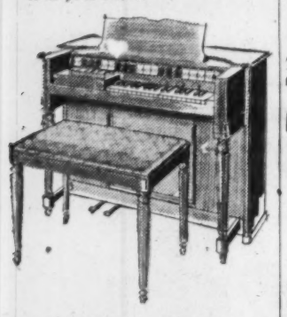

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Open Evenings

THIS ARCHITECT's perspective of the new Greater Niagara General Hospital shows how cost-saving, single-story wings for less-acute cases have been built out from a three-floor central section which will contain beds for more serious cases.

These Plans May Save $3,000 a Bed

Hospital Experiment Designed To Cut Construction Costs

Health authorities in Ontario this week awaited the answer to a $2.5-million experiment which could save up to $3,000 a bed in construction costs of the 250-bed Greater Niagara General Hospital.

The answer will lie in the general contract and other tenders, due for opening this week end, for the building on a 15-acre site at Niagara Falls.

The conventional hospital of this size is of multistory construction for efficiency and economic reasons. But the Niagara site has provided opportunity to spread the building over a greater area than usual, permitting a large proportion of cheaper single-story building.

The design, by John B. Parkin Associates, architects and engineers, after consultation with Provincial Minister of Health Dr. Mackinnon Phillips, is based on the theory that most cases in a major hospital are normally of a near-convalescent category. In the plans, bed accommodation for such patients—more than three quarters of the total—are contained in single-story wings which need no structural steel and afford other savings over multi-story building.

The conventional hospital of comparable size is one in which all floors are stacked vertically. This allows for maximum compactness and efficient service with easy circulation of people and equipment.

But sponsors of the Niagara scheme believe that the efficiency gained is not necessarily needed for all patients. Some could be cared for in an area farther away from the central diagnostic and treatment areas of the hospital where less expensive care could be given and which could be built for less money.

Jack Owen, John B. Parkin associate in charge of the Niagara plans, says: "The idea then results that some patients should be housed in one-story wings on grade at a much lower square foot building cost. In these plans 55 of the initial 250 beds are provided in a three-story section centrally located. The remainder are located in one-story wings to the east."

How It's Planned

As the architects saw it, the main problem in such a design was to allow for easy circulation of people and equipment in the three-story section and out to the one-story wings.

This has been tackled by having the supply facilities like dietary, sterilizing, pharmacy and laundry on the lowest floor of the central section. They serve the third-story acute wards by elevator and dumbwaiter and are on one side of a corridor which leads to the single-story wards. Directly over the service facilities and immediately below the acute wards will be the diagnosis, treatment, surgery and administration facilities.

Due to the natural slope of the site, the second floor of the hospital becomes the street entrance floor at grade. The planning of this floor aims at combing out all traffic coming in. Main and emergency entrances can both be overseen from one control point. Information desk, switchboard, admission and other departments are strategically located to channel patients or visitors, on litter or foot, to the proper departments. Litter cases can go down one corridor to a special elevator and visitors and walking patients may go through the main lobby to another elevator.

Cost of the new hospital has been estimated at $2.5 millions or $10,000 per bed. Allowance has been made for expansion to provide another 250 beds if required and this would further reduce the initial bed cost.

Availability and cost of land are among factors which have made the Niagara plans possible, and therefore limit fair comparison with the cost of other hospital construction. But here are cost figures of three most recently completed multi-story hospitals in Ontario of comparable size:

	No. of Beds	Total Cost $ Millions	Av. Bed Cost $
Guelph General ..	162	2.18	13,000
Galt	177	2.65	15,000
Toronto N. Westrn	113	1.8	16,000

The exterior of the new hospital will have smooth, hard, light-colored brick and will feature large areas of window walls, protected where necessary by solar overhangs.

The single-story wards will have 8-in-masonry walls with a concrete slab on grade and a precast concrete roofing slab which will be left exposed on the underside in the majority of rooms.

Forced hot water heating using convectors from the boilerhouse at the northwest corner of the site, about 10 ft. below grade, will come to the main building through a tunnel for distribution.

Associated with the hospital is a nurses' residence and training school on the southeast corner of the site. Estimated to cost $425,000, it will provide private rooms for 60 student nurses and six graduate nurses on the second and third floors. On the first floor, with ancillary rooms, there will be six classrooms in two groups of three. One group will have folding partitions which can be opened up to provide an assembly room.

Cotton Textile Business Busier

MONTREAL (Staff)—Activity in Canadian cotton textiles during October showed a decrease from the previous month, but was above the corresponding figure of last year.

Last month, mills opened 33,344 bails of raw cotton (500 lb. each) compared with 34,283 in September and 28,047 in October, 1954.

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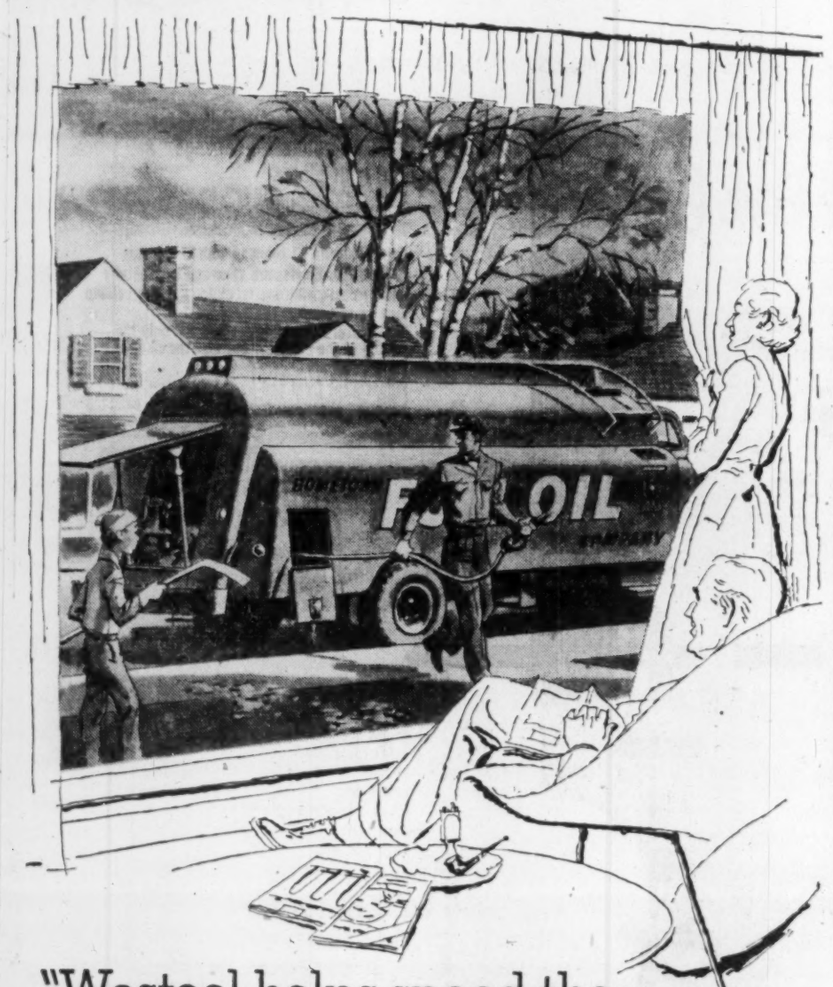

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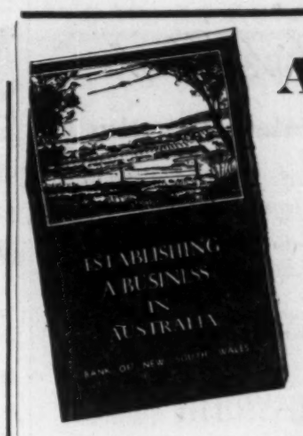

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LABOR ROUNDUP By JACK McARTHUR

Boom Ignites Labor Gold Rush

Business Cheer Means Millions For Union Members

The current trend in labor settlements indicates management is backing its faith in a golden future with cold cash.

A handful of recent key union-management contract signings and management offers shows this:

In this limited number of cases business is offering settlements to its employees which immediately, or in the near future, will cost an extra $6.75 millions annually.

And if some of these offers are reflected in other contracts in the same industries—as they inevitably will be—the cost may run to better than $13 millions annually.

The only industries involved in this calculation of a flood of new purchasing power for labor are:

General Motors and the rest of the nation's automakers; Abitibi Power & Paper and other firms employing bushworkers in Northern Ontario; Massey-Harris-Ferguson and other farm implement companies; Hollinger Gold Mines, Noranda Mines and most other Northern Ontario-Quebec gold and base metal mines; de Havilland Aircraft.

The companies named have either signed new contracts recently or—as in GM's case—made major progress toward a new contract.

At a minimum, CIO-CCL United Auto Workers can look for gains worth some 17c hr. At GM. That's expected to include the supplementary benefits program already offered by the nation's biggest auto producer.

That represents a substantial gain. And it's in line with the big contracts being won in the past few weeks by Canadian unions.

Part of the reason for the sudden upswing in union winnings has been union determination to lay solid foundation for an ambitious 1956 (The Post, Oct. 8).

But probably most of the reason is the wave of optimism rising in Canadian business. Companies with labor negotiations are looking for better business ahead. Thus they can afford fatter settlements, don't want to be taken out of the market by a strike.

* * *

The Price Tag On Business Optimism

Here's the breakdown on that $6.75-million price tag on recent management offers and on the $13-million-plus total which could be their ultimate result:

Abitibi, $400,000:

The new contract calls for a 7% general wage hike retroactive to Sept. 1. Some 4,000 Abitibi bushworkers are involved.

There are about 20 more companies with contracts unsigned. If they follow the Abitibi lead (most of them certainly will) the extra wage cost should run well over $1 million. For the whole Northern Ontario industry: Better than $1.5 millions.

General Motors, $5 millions:

That figure represents only a good estimate of the value of the last firm offer from the company (The Post, Sept. 24).

Assuming the Union wins supplemental layoff payments already offered and gets the same deal from Ford and Chrysler next year (a good bet) the whole bill, including a GM settlement, should run over $7 millions. This is entirely aside from other possible gains at Ford and Chrysler.

Massey-Harris-Ferguson, $700,000:

Supplemental benefits have been agreed upon here (The Post, Nov. 12). But the necessary 5c hr. payments into a trust fund won't begin until next year. The result is an additional wage cost of probably $350,000 (some of it deferred) plus supplementary benefit commitments of about the same figure.

It's hard to say how far this pattern will be applied. Undoubtedly it will be worth many hundreds of thousands of dollars to workers in the same and allied industries.

Hollinger, $250,000:

With 1,200 workers involved, the new contract between the company and CIO-CCL United Steelworkers cuts the work week from 48 to 44 hours by May, 1956, with no slice in takehome pay.

Add in Noranda, Kerr-Addison Gold Mines and other mines which probably will cut the work week and the extra cost in Northern Ontario and Quebec should run close to $2.5 millions.

De Havilland, $400,000:

With the men back at work once more after a four-month strike, the extra cost of a 6c boost and deferred increases of from 2c to 9c looked like $200,000 now and $200,000 later.

The figures in all these cases could be higher. If the economic pace continues to pick up, they will be, because prosperous conditions will mean heavier employment, smaller seasonal layoffs.

Too, they don't include many nonwage items which are nevertheless costly.

They seem to herald a year of record or near-record labor demands in 1956; they suggest that management will be willing to give big settlements as long as business continues to quicken.

* * *

Labor Briefs

Next year may see the beginning of a serious drive by North American labor for the 32-hr. week.

It's likely CIO Steelworkers next spring will ask U. S. steel producers for the shorter week. If it pushes this demand with vigor and some success (of course, it doesn't expect to win a reduction to 32 hours at first crack) then the same demand likely will be handed to Canadian basic steel producers.

* * *

An increasingly significant labor merger issue in British Columbia is the question of admission to the soon-to-be-formed Canadian Labor Congress of pink unions expelled over the past six years.

British Columbia long has been a stronghold of left-wing labor. The TLC B. C. Trade Union Congress is split, but officially favors return of the Commie-led unions. CCL B. C. Federation of Labor is opposed to softening opposition to communism.

* * *

Unemployment Insurance Commission has shelved until next October a new rule limiting payment of insurance to lake seamen and stevedores who are habitually unemployed in winter.

The delay will give seamen and their unions a chance to adjust to the effects of the ruling.

* * *

How management can get in trouble by signing a labor contract without investigating all its implications:

In the U. S., an arbitrator has ordered three blouse manufacturers to pay $60,000 to AFL International Ladies Garment Workers. The reason: The company imported blouses from Japan. Its contract specified all blouses it sold must be made in union shops.

War On Lamprey Gets New Weapon

Special to The Financial Post

WASHINGTON—The end may be in sight for the vicious raider of the Great Lakes—the sea lamprey.

A new poison which will kill lampreys without injuring other fish has passed laboratory tests, and is undergoing extensive field tries, Secretary of the Interior Douglas McKay has announced.

He is withholding announcement of definite success until final tests. If the poison passes, it is expected to kill the five generations of lamprey larvae which live in the mud bottoms of streams feeding the Great Lakes.

Since the lampreys moved into the lakes several years ago, they have taken a severe toll on commercial fishing. They have practically eliminated lake trout in Lake Michigan.

To halt the movement of adult lampreys trying to reach spawning grounds, the U. S. and Canada have erected electrical barriers in tributaries to Lake Superior. The Interior Secretary said the U. S. has blocked off its spawning areas and Canada will complete its part of the program by 1957. It is hoped that the new poison, used in conjunction with electrical barriers, will destroy the raider completely.

Sask. Wheat Pool Cuts Big Cake

From Our Own Correspondent

REGINA — Delegates to the 31st annual convention of the 100,000-member Saskatchewan Wheat Pool in Regina approved a whopping $3,313,550 patronage dividend for members.

The dividend is based on grain and livestock handlings for the year ending July 31, 1955.

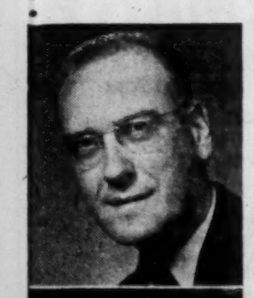
Dividends will also be paid on rape-seed deliveries to the firm's elevator system and to a vegetable oil plant in Saskatoon.

Part will be paid in cash, expected to be mailed in March, 1956. The rest will be used to purchase elevator and reserve deductions of defunct memberships.

The cash dividend will be at the rate of 1.25c per bu. on all grain delivered. Last year: 1c per bu.

His story points your way to financial security

J. Ed Jones has served as an officer of the employees' credit union of the Plymouth Cordage Company of Canada, Ltd., of Welland, since its foundation, 25 years ago.



W. S. KITCHEN, Vice-President of Plymouth Cordage, says of Ed. Jones "Your unstinting effort, in which you have given so many hours of your leisure time, has guided many of our Cordage families through financially trying times that come to most, and has built here a very sound and dependable Credit Union for their service."

A. C. FISHLEIGH, a member of the Board of Directors of the credit union, answers a question by Joan Wynn with regard to the quarterly statement. There are nearly 20,000 credit unions in the Western Hemisphere, serving approximately 10,000,000 people.

MEET ED JONES who's been proving himself a good neighbour for 25 years—the kind of good neighbour we all like to have around when the going's tough. For some of Ed's friends the going *has* been tough during the past quarter century. But when it was, help was always available, simply because Ed, and other good neighbours like him, had joined together in a credit union. With the folk at Plymouth Cordage depositing a total of $1,504,876.04 in their credit union, it has been possible to make 3068 personal loans to people who needed them.

So a testimonial dinner to Ed, planned for January 12th, is more than a tribute to him. It marks 25 years of successful operation of a credit union—proof that this method of financial self-help is really practical.

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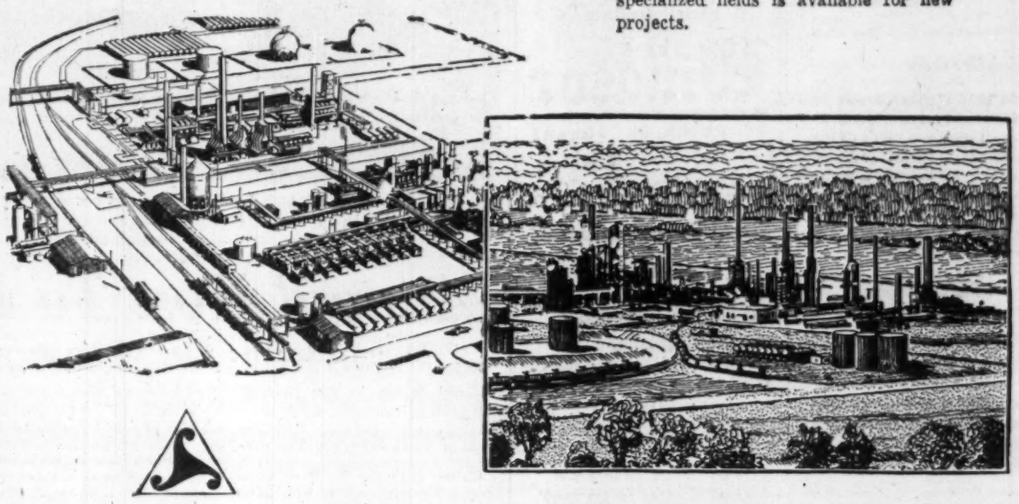

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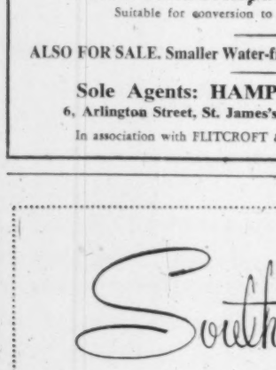

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Miami Beach in the past 40 years has become one of the most fabulous and popular vacation lands in North America. The permanent home of 55,000 people, it is visited annually by more than 1,500,000 vacationers from almost every country outside the Iron Curtain—including a large number of Canadians.

Within the city's seven square miles there are approximately 378 hotels with 30,000 rooms. Many of these are luxurious, all modern and 60 have been built since the end of World War II.

The rise of Miami Beach as a holiday resort is closely linked with the progress of the mechanical age, the rise in living standards as well as increased spending power and leisure time. When it was officially opened in 1915, Miami Beach was designed as a winter resort for the wealthy. For many years this plan was adhered to, but about 25 years ago, summer visiting began, and today the "season" is all year round.

Its climate (the summer average is 81 degrees, the winter 68 degrees), has attracted vacationers for centuries. It is believed that before the white man's time, this was a recreation area for Indians. Evidence to support this theory is found in the mounds that reveal quantities of shells and fishing gear, etc., but which show no sign of permanent residence.

Spanish, English and French explorers sailed along these shores, and may have stopped on the mainland for supplies of fresh water. The Spanish built a mission in the area in the early 17th century, but it was a short-lived project and the friars returned to Havana.

Commercial Beginnings

About 70 years ago an attempt at serious development was begun when coco palms were planted on the island to produce quick fortunes for the growers. Coconut oils at that time were widely used in soap making and commanded high prices. However, the destruction of many of the trees together with a fall in the price of oil killed the scheme before it was really under way and no commercial nut cargo was ever shipped.

A horticultural expert who was also an investor in the project, came to Miami in 1907 to salvage what he could of his investment. He bought out the original planters and in a few years had thriving fields of potatoes, avocados and other crops in midwinter.

As success came to this venture, vacationers began to arrive. A ferry service was started from the mainland to the southern end of the peninsula and parties came to the oceanfront for picnics and swimming.

Soon hotels, causeways and residences were built. The development of real estate began to push agriculture aside and lots were bought eagerly at ever-increasing prices. In the early 1920s the Florida land boom was on. It culminated in the "bust" of 1926.

The depression years found many hotel operators with large overhead all the year and incomes considerably reduced. This resulted in an experiment to keep year-round business. Prices were slashed and summer business sought. Since then increasing numbers of hotel and apartment managers have decided to operate all the year and today more than 90% of the accommodations are open constantly.

Shortly after the entry of the United States in World War II, most hotels and apartments were commandeered by the Government. Tourists were not welcome and Miami Beach became a great training camp for soldiers.

With the return of peace, the Beach resumed its building at a greatly increased pace and on a much more lavish scale.

What You Can Get

Many of the hotels are along the oceanfront, while others are within easy walking distance from the surf. These hotels, ranging in winter prices from about $60 a week double, to $40 a day, double, come in various sizes and degrees of luxury.

The most expensive ones are directly on the ocean and are complete units in themselves. It would be possible for a vacationer to enjoy an entire visit without leaving the hotel property from the time of arrival until his departure. Lavish swimming pools face the ocean and are but a few yards from the surf. Cabanas, which are elaborate dressing rooms, are also used as social centres between swims. Facilities for table tennis, shuffleboard and archery are frequently provided for in the general pool area. Broad decks surround the pools and boast comfortable lounging chairs and chaises longues. In most instances food and beverage services are available at the pool side, making such areas favorite breakfast and luncheon spots.

Often apartment houses rival hotels. All of them are complete, ready for housekeeping and are ideal for families planning fairly extended vacations. There are 22,000 units from which to choose.

Most Miami Beach recreational activities are year-round. Two municipal, 18-hole golf courses are within easy walking distance from all of the main hotels. Fishing, swimming and sun bathing are popular 12 months of the year. A number of municipal recreational parks provide a variety of activities from tennis and shuffleboard, to square dancing and instruction in handcrafts or foreign languages. There are many fine restaurants, bars and night clubs as well as large troupes of Hollywood stars to provide indoor entertainment, and most hotels have excellent dance bands for guests who prefer to "stay put."

Although it now offers an enjoyable holiday to the not-so-wealthy tourist, particulary in the summer months, Miami Beach is still primarily an expensive and fashionable resort visited by many big names in public and private life. Among other things, it is famous for its newer-than-tomorrow clothes styles. Many manufacturers market their top designs here first to get cross section opinion of their acceptance among the people who buy. So the winter vacationer may purchase resort wear and summer sports clothes months before similar styles will be available at home.

How to Go

Almost due south of Toronto, Miami Beach is only 1,306 air miles and less than seven hours away. The quickest and most comfortable TCA flight, via Tampa, costs $152 return. Train service is excellent and costs $122 return, plus meals and sleeping accommodation. Instead of using one of these two services, many visitors drive their own cars, and find that first-class highways link Miami with the larger Eastern Canadian cities. From Toronto it should take only four easy days.

CNR Orders 35 Diesels For Nfld.

MONTREAL (Staff) — Newfoundland district of the Canadian National Railways has ordered 35 diesel locomotives from General Motors Diesel Ltd. of London. Delivery of this order will mark completion of a program announced by the company in 1953, for the complete dieselization of the Newfoundland district.

The order includes 29 diesel locomotives of 1,200 horse power and six of a lighter type. They will replace the 40 oil-fired steam engines and supplement the 12 diesel locomotives now in service of the Newfoundland district. Delivery of the new units will commence early next summer.

"Our decision to dieselize the Newfoundland district followed a thorough study of ways of providing the Newfoundland people with an improved railway service," said E. J. Cook, CNR Newfoundland district manager. "Freight and passenger traffic on the line has increased more than 50% since 1949 and full dieselization will enable us to handle the growing volume of traffic with greater efficiency."

Existing railway shops and engine houses are being modified to service the diesels. Present fuel storage facilities will serve them. Passing tracks at strategic points on the 705 miles of line are being extended to accommodate longer trains.

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Canadian Oil Companies Penalized?

Briefs Claim U.S. Firms Here Enjoy Tax Advantage

Are Canadian oil companies handicapped in their exploration and development programs in Western Canada by shortsighted tax regulations and financing laws? Foreign capital — particularly U. S. — is accounting for a steadily expanding share of oil development in this country. Part of the reason is unfair taxation laws which put Canadian companies at a competitive disadvantage with U. S. firms, many oil officials claim. In two separate briefs to the Royal Commission on Canada's Economic Prospects the Alberta Government and Glen E. Nielson, president of Husky Oil & Refining, make strong representations for sweeping changes in Canada's taxation laws as they relate to oil companies. Here are the highlights from the two submissions:

Alberta:

Within the last few years a number of amalgamations and mergers of oil companies have taken place or been considered. Others are contemplated. These amalgamations seem to be a normal consequence of the development and growth of this comparatively new industry.

There is no provision in the Income Tax Act by which such transactions may be carried out without the successor company losing the benefit of the deductions allowed in respect of expenditures for drilling and exploration costs to which its predecessor or predecessors would have been entitled. This can offer a serious obstacle to an amalgamation which would otherwise be to the benefit of all concerned.

As the fairness and propriety of the present allowances for drilling and exploration costs is now conceded, it would seem equally fair and proper that means should be devised where the benefits of these allowances will not be lost to an amalgamated enterprise, particularly where, had no amalgamation taken place, the benefits of the allowances would have accrued to and been enjoyed by the predecessor companies.

The large major oil companies are not affected to any extent. Those who suffer most are the smaller companies, mostly Canadian. Here again Canadian capital is at a disadvantage compared with American capital.

Depletion Allowances

In Canada depletion is only granted after a company has charged off all costs of exploration, which includes ventures in any part of Canada. The company may produce from a lease in one part of Canada and be exploring in another part a thousand miles away. It is becoming quite apparent that it may recover all the oil out of that lease and never be able to claim any depletion for income-tax purposes on this wasting asset. It would be more realistic to permit depletion to be claimed after the costs in connection with that lease have been recovered, but disregarding expenses incurred in other parts of the country. This, for instance, is the method used in the United States. United States companies operating in Canada can claim depletion on Canadian properties on that basis for United States tax purposes, and, therefore, Canadian companies are at a serious competitive disadvantage.

Exploration Allowances

United States corporations can spend money on explorations in Canada and charge such costs against their United States income, so that they are in effect only spending 50 cents of their own money and 50 cents of federal tax money. As a result of this, United States corporations can operate as world-wide companies and follow oil wherever they can find it. Canada confines the allowances for drilling and exploration costs granted to Canadian companies to operations within Canada except for a comparatively minor exception and therefore Canadian companies cannot compete on an equitable basis with American companies in operations outside of Canada.

Husky Oil:

GLEN E. NIELSON; President of Husky Oil & Refining.

I firmly believe that the economic prospects of Canada's petroleum industry are practically unlimited, but by reason of present tax and financing laws and regulations Canadian citizens and Canadian companies are both handicapped and limited. They should be able to take a bigger part in the development of their oil resources, but because of restrictions on their ability to use income, the unnatural treatment of costs of acquiring properties, the unrealistic and limited application of the depletion allowance, and the unjustified restrictions on certain sources of funds, they are handicapped in having to compete with foreigners on unequal terms. Without the full participation of Canadians, the entire development of Canada's petroleum industry will suffer.

I do not agree with Premier E. C. Manning's suggestions before this commission that it has been a lack of faith which accounts for their relatively small participation in their country's oil development; rather, it is the tax provisions which are in their law. Strangely enough, it is the Canadian company and Canadian individual who are denied the opportunity to compete on equal terms with their U. S. counterparts.

The first income-tax provision I wish to discuss is the one which denies a Canadian individual the privilege of using his income before taxes to drill oil wells. A U. S. taxpayer may deduct such costs from his income regardless of the source of that income, and the result is that the U. S. taxpayer is risking the equivalent of as little as 10c out of a dollar while the Canadian taxpayer is risking a full 100 cents. A well that could produce oil might be very successful to the U. S. taxpayer because of his small real cost, but it would not necessarily be so to the Canadian taxpayer who has a cost up to ten times greater.

Not only that, but for a Canadian individual to have any right to deduct oil exploration and drilling expenses, he must belong to a syndicate or partnership. And if he should be a member of two oil syndicates, one with income and the other with excess deductions, he is not entitled to offset one against the other.

Acreage Costs

Another tax provision is the one which considers costs of acquiring acreage for oil and gas prospecting as capital expenditures. If, after considerable more money is spent in evaluating and testing, the acreage is worthless, the Canadian taxpayer must recoup his acquisition costs after he has paid his income taxes. On the other hand, his U. S. competitor can recoup those costs out of his income before he pays taxes. If the two taxpayers are companies, the economic result is obvious. The real cost to the U. S. company would be just about one half of the cost to the Canadian company — or, the U. S. company could afford to pay twice as much to acquire the acreage as the Canadian. The effect of such tax discrimination is not only ridiculous, it can and does have a detrimental result for a Canadian company trying to grow.

Depletion Allowances

The next tax provision which is detrimental to the Canadian participant in oil development is the manner in which the depletion allowance is applied. In the United States, the allowance is applied separately to each producing property and the operator is consequently encouraged to use his income after the depletion allowance for further acquisitions, exploration and development. In fact, if he does not do so he is eventually out of business.

However, in Canada, the depletion allowance is applied only after expenditures for further exploration and development so that there is actually little, if any, depletion allowance. This is a real deterrent to a small company looking for oil, and as a matter of pure economics, the Canadian company should quit once it has found some production. Perhaps that is why there are many small Canadian companies not as active as they once were in what must be a never-ending search for new oil.

Another aspect of the depletion allowance is that in Canada there is no choice of method. The theory of percentage depletion is sound because it is based on very practical problems. Yet there should be the opportunity to choose what is termed "cost depletion" which is a depletion allowance directly related to the taxpayer's actual cost in a property.

The purpose of and the principle behind the allowance for depletion is similar to the allowance for depreciation. It is through the allowances for depletion and depreciation that a taxpayer is supposed to be able to recover the costs of his assets which are producing income. However, the unavailability of "cost depletion" to a Canadian oil company results in a severe handicap. An example of that might be as follows:

It is entirely possible for one manufacturing company to have $1 million invested in depreciable assets and another only $200,000 —yet each earns $100,000 per year before any allowance for depreciation. It would be most unreasonable and unfair to limit the depreciation allowance of each to some arbitrary percentage of its income. Yet that is how the depletion allowance is provided for Canadian oil companies. It is that situation which makes it difficult if not impossible for a small Canadian company to borrow funds to buy developed properties, and why it can't compete in offering the going prices for properties put up for public sale.

Without cost depletion, it is almost impossible for a young company to earn enough money after taxes to pay its debts and still grow. Many times our company up here has found desirable blocks of acreage and if it were subject to U. S. tax laws it could afford some of them. But up here it can't.

With these income-tax provisions handicapping any Canadian desiring to participate, it has been only natural for U. S. capital to play an important role in developing Canada's oil industry.

B.C.'s Formula For Future

Urge Ottawa-Provincial Fiscal Co-Operation

(Special Correspondence)

VICTORIA — "More effective fiscal co-operation" between federal and provincial governments is needed to aid Canadian economic expansion, Premier Bennett told the Gordon Royal Commission here this week as it neared the end of its western tour.

Co-operation could occur in two ways, he said:

—First, in a program of joint investment by federal and provincial governments in specific projects of national interest;

—Second, by variation of existing tax agreements to give provinces a "clearly adequate share of the revenue produced by fields of direct taxation."

The provincial brief forecast social capital expenditures for the next 20 years totaling nearly $3 billions. Under present arrangements, the province would pay for 73%.

B.C.'s population will likely reach 2.3 million by 1975, up 75% from the present, and might top three million, the brief forecast. Retail sales in B.C. should total over $3 billions in 1975 and personal income per capita should rise from $1,479 to $1,985. Consumption of energy in B.C. will increase 190% from 7.4 coal equivalent tons per head to 21.4 tons.

Water power will supply 73.8% of this energy requirement, up from the present 44%.

Net value of production should rise 145% to $3,579 millions, compared with $1,459 millions estimated for 1955. Forestry will account for 38% of that total and forestry output should rise to $1,357 millions from the present $580 millions. Principal growth is expected in veneer plywood, pulp and paper. Forest-based industry will rise from $52 millions to $106 millions.

Mining output will increase 29% to $146 millions; net value of fisheries production should double, and manufacturing output should rise 164% from $720 millions in 1955, to $1,903 millions.

Agriculture will expand with aid of irrigation and long-term low interest farm loans urged by province.

The brief stressed that B.C.'s dependence on foreign export for at least 40% of the primary and secondary resource products is expected to continue in 1975.

The province urged:

(1) A freight-rate structure that will facilitate the marketing of B.C. products in Canadian markets, and (2) expansion of international trade facilities and ready convertibility of exchange. Questioned on this point, Premier Bennett said Canada should accept sterling in payment for exports and use it for investments within the sterling area.

A national policy of tariff equalization with respect to farm products appears desirable, the brief said. "American agriculture products should face the same tariff rates as Canadian products entering U.S. markets. The emphasis, wherever practical, should be toward a mutual reduction in the tariff structures."

Asked by Commissioner Gushue whether this meant B.C. favored lower tariff generally on all goods, Bennett said his government was referring particularly to the U.S. market for farm products and he did not want to go further.

B.C. was the only western province to forecast both a substantial increase in farm acreage and an increase in farm labor. Attorney General Bonner said expanding world population would provide markets for increased agricultural production.

Auto Insurance Rate Cut Will Average Over 6%

Safer driving habits will pay off for most Canadian car owners as of Jan. 1, 1956. The Canadian Underwriters Association this week announced average cutbacks in the cost of car insurance of 6.7% for private-passenger automobiles and 7.5% for commercial cars.

Earlier estimates of 1956 auto rates indicated possible reductions of 5% to 10% (The Post, Oct. 22.)

This national average reduction covers all provinces except Saskatchewan where the Provincial Government has a compulsory insurance plan. Of the 100 areas for which separate rates are set, 75% will enjoy smaller insurance bills, 20% will have to pay more and 5% will be unchanged.

On a nationwide basis, the 1956 automobile insurance picture is the best since immediately after World War II when a sudden jump in the number and cost of accidents resulted in major increases in rates, says the association.

A major part of the over-all average reduction reflects better cash encouragement to safe drivers.

The insurance companies have increased the discount on their "preferred risk rating plan" to 25% from 20%. This is the scheme where a motorist must have three years without an accident involving a claim.

In addition, the insurance companies are setting up a special rate scale for drivers with two years claim-free record. These two-year drivers will get a 15% discount off normal rates.

A second major change made by the companies in rating the individual car will help the young married man under 25 years. These youthful drivers will be separated from the low group on the insurance rate structure — men under 25 — who statistically have the worst accident records. Formerly both married and unmarried young men were lumped together.

Exact details of how the new rates affect individual drivers in particular areas will not be known until insurance agents receive their new rate books in the areas.

Rates By Areas

However on a more general basis by provinces, the changes from last year's rates look like this:

—Ontario drivers will enjoy an average cutback of 6% on privately-owned cars and 10% on commercial vehicles.

—Quebec reductions are 9% for private passenger and 4% for commercial.

—Nova Scotia rates are 2% lower in both private and commercial classifications.

—New Brunswick rates are down 4% in both groups.

—Prince Edward Island private passenger car rates are down an average of 2%, commercial drops 6%.

—Newfoundland costs will dip 5% on private cars, 6% on commercial vehicles.

—Manitoba rates are 9% lower on the average for private cars and 6% on commercial.

—Alberta private car insurance costs will be cut 12% and commercial rates will dip 9%.

—British Columbia rates are cut back 5% on private cars and 9% on commercial.

Rate changes vary considerably by individual rating areas. At least one Maritime district will have to pay 15% more for insurance but in most major cities rates are lower.

Illustrating how costs change in individual areas are these breakdowns for a few major cities.

Montreal — Drivers here will enjoy an over-all reduction of 11% in car insurance costs. Liability insurance is being reduced 10%, collision is down 5% and fire and theft will drop 35%.

Toronto — Over-all average reduction is 6% with liability and collision down 5% and fire and theft down 20%.

Winnipeg — Drivers here will have one of the larger reductions with the average cost slipping 11%. Collision will be 15% cheaper, liability 5%, and fire and theft down 35%.

Edmonton-Calgary — Average cost drops 11% with collision 15% lower, liability 10% and fire and theft 20%.

Vancouver — Over-all there is no change in the average cost of car insurance. Liability costs are rising 5%, collision is being cut 5% and fire and theft will be reduced 25%.

CANADIAN BREWERIES LTD. during November issued an additional 4,853 common shares upon conversion of 4½% 10-year convertible sinking fund debentures, and converted 52,550 cumulative convertible preferred shares into common shares. Now 2,957,371 common shares outstanding.

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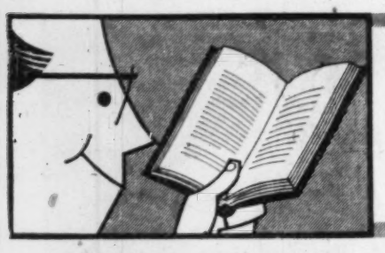


What's good reading

Adventures In An Igloo

LAND OF THE LONG DAY, by Doug Wilkinson, Clarke, Irwin & Co. (Color Plates) $5, 155 p.

Reviewed By PIERRE BERTON

On a hot June day in 1954, I had luncheon in Toronto with a lean young man named Doug Wilkinson. I remember that we both ordered steak and Wilkinson asked for his well done. For he had spent the previous 18 months living as an Eskimo at the top of the world and he was a little tired of raw meat.

One week later, by a curious coincidence, I found myself 2,000 miles due north, at the tip of Baffin Island. And here, standing on the frozen ocean, I met a small, shrewd Eskimo named Idlouk. He wore the Queen's Coronation medal on his parka and smoked a curved pipe and he asked me about Doug Wilkinson whom he called "Kingmik." For this was Wilkinson's Eskimo "father" with whom the lean young man had lived for a year and a half.

Now Wilkinson has written a book about his remarkable experience and it is a valuable addition to the growing shelf of Arctic lore.

It is a book that ought to be considered on two levels, first as a true story of high adventure—as unique in it. own way as Thor Heyerdahl's **Kon-Tiki** experience—and secondly as a sociological study of the Eastern Canadian Eskimo.

The adventure is all here, told in Wilkinson's sparse but effective prose. There are some really exciting hunting scenes in which the hunters, Wilkinson included, are goaded on by the spectre of death by starvation. There are other scenes of great tenderness, drama and tragedy. In one, Wilkinson describes life in a snow house with a wizened Eskimo woman wracked by the final stages of TB.

"She is my friend, who has given me food and shelter on countless nights, has repaired boots and mitts torn on the hunt; but I wish she would die, for until she does no one with her is safe."

The ordinary reader will probably be most fascinated however with the author's descriptions of the food he ate as an Eskimo. This included raw polar bear, seal and caribou meat, grasses and sedges, ptarmigan and ptarripe gulls' eggs and the partly digested vegetable matter from caribous' stomachs. It also included a raw mixture of seals' eyebrows and brains that his Eskimo father prepared for him.

"I thought the taste delicious," Wilkinson writes "and I have not changed my opinion to this day."

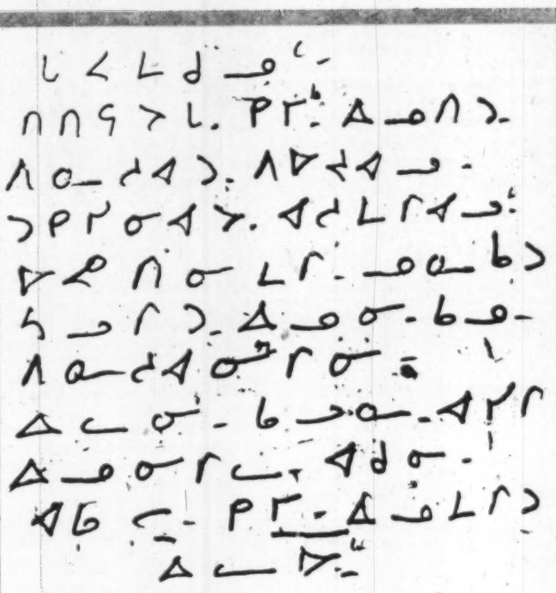
But Wilkinson did not really go to the Arctic in search of pure adventure. His objective was a more dedicated one. He met his first Eskimo while working as a National Film Board employee on a movie about the Arctic. Like every other man who has had any contact with these remarkable people, he was affected with both admiration for their qualities and concern for their future:

"I felt we were not helping the Eskimo to help himself but rather letting him drift with the times . . . I felt, too, that we had all too little knowledge of the Eskimo."

At this point Wilkinson decided that before he could get at the problem he himself must become an Eskimo. The Government would not support the project but the Arctic Institute of North America did. Wilkinson went to Baffin Island and turned himself into a native for a year and a half. He is the first to admit that the experiment wasn't wholly successful: for although he lived, ate, hunted, slept, talked and dressed as an Eskimo he was never quite able to think like one.

But he did do a lot of hard thinking **about** the Eskimos and the results of this are in his book. Anyone reading it (and looking at the magnificent four-color illustrations by the author) will learn a great deal about one of the most engaging peoples in the world. As for Wilkinson, his knowledge has been put to good use. He is back on Baffin Island as an employee of the Department of Northern Affairs and Natural Resources.

Mr. Berton is Managing Editor of Maclean's Magazine. He is the author of "The Royal Family" and "The Golden Trail." A frequent explorer of life in Canada's Arctic, he is now completing "The Mysterious North" for 1956 publication.



This letter was written by Idouk, foster father of Doug Wilkinson, author of "Land of the Long Day," during the year he spent in the Pond Inlet Eskimo settlement of the eastern Arctic. The note is addressed to the Government. It reads as follows: "I write that Kingmik (Wilkinson) is doing things exactly as Eskimos do. He is a good man. He will understand very well about us when he is through. He lives right here with us. He does not tell false things about the way the Eskimos live and do things. Some white men do not remain a long while with Eskimos — but not Kingmik — he is a real Eskimo.—Odlouk.

Jimmy Gardiner Book Doesn't Tell Enough

NONE OF IT CAME EASY, The Story of James Garfield Gardiner, by Nathaniel A. Benson. Foreword by B. T. Richardson. Burns and MacEachern, $3.50.

Reviewed By MICHAEL BARKWAY

If Mr. Gardiner is still hoping to be elected leader of the Liberal Party when Mr. St. Laurent retires, then this book is his election manifesto. If he has given up that hope — being barely two years younger than St. Laurent — then it is difficult to guess what Mr. Benson is aiming at, though it certainly isn't history.

The book concludes: "At 72 Gardiner is still untired, still, like Ulysses, wearied only by inactivity . . . He is still scanning the horizons, still eager for greater challenges to meet on the morrow that lies ahead . . ." This reads like: "Move over, Harris and Pearson and the rest of you young contenders."

Gardiner's unsuccessful bid for leadership in 1948 is noted in an earlier part of the book. Mr. Benson, inevitably, describes it as "a characteristically gallant and courageous bid for the leadership of the party whose cause had been for so long his own." He was defeated, Mr. Benson hints in a rather shocking paragraph, "because of his uncompromising spirit and his individual strength." "The professional temporizers of his party" wouldn't have him. Nor, Mr. Benson alleges, would the Easterners have him because they knew he would defend the cause of the West.

There is a bitterness in this which one can only hope comes from the author and not from the subject.

It would have seemed impossible to write a dull book about Mr. Gardiner, who in spite of 20 continuous years as Federal Minister of Agriculture, has remained throughout a lively, controversial and pugnacious figure.

But Mr. Benson has achieved the seemingly impossible. It could only have been done by the means Mr. Benson employed, which were to displace the chunky, half-pint, fighting politician by a pasteboard figure bearing some resemblance to a plaster saint but none to a politician.

The figure presented by Mr. Benson never made a mistake. It got the better of every argument on every conceivable subject. Its great heart palpitated more generously than any merely human and political heart. It ever passed "countless unremunerated hours in the service of its place and type of worship": Mr. Benson seems rather shocked that Mr. Gardiner was never paid for his prayers.

Mr. Benson harps monotonously and persistently on the "integrity" of his subject. He protests far too much; and he has the effect of throwing into even more painful relief the inadequacies of his own account of historical events.

The state of the Liberal Party in Saskatchewan, after the years of Gardiner leadership, is dismissed in one glib sentence of support for the present provincial leader: which is, to put it very moderately, an oversimplification.

The highly controversial story of Gardiner's attempt to blame the British Government for the Western dissatisfaction at the conclusion of the Anglo-Canadian wheat agreement in 1949 is compressed into two paragraphs containing such a tendentious account of the incident that it is laughable. This was the incident which ended in Gardiner's pushing through a $65-million payment to the prairie farmers, because his agreement had not worked out the way he expected.

But you would never guess from Mr. Benson's account that anyone had ever disagreed with Gardiner's view of events. His Cabinet colleagues and everyone else who listened to the parliamentary debates at the time will be astonished to read how simple it all apparently was.

The best-written part of the book is the foreword by B. T. Richardson, long a newspaperman in Western Canada and a friend of Mr. Gardiner, now editor of the Toronto Telegram. He remarks that Canada is sadly lacking in contemporary political biography, which is incontestible. He says: "The Gardiner career, as most Canadians know it, is compounded of cliché and reality." This, also, is true; but the popular clichés contain a considerable element of the truth which is not to be found at all in Mr. Benson's story.

The reality of Jimmy Gardiner's remarkable career is well worth a book. But it must be a book that will make some attempt at objective analysis of the controversial questions which have strewn Gardiner's path.

Mr. Barkway is The Financial Post's Ottawa correspondent.

THE UNKNOWN PRIME MINISTER, the life and times of Andrew Bonar Law, By Robert Blake, Eyre & Spottiswoode, London, Eng., $7.50, 556 pages.

Reviewed By GORDON L. SMITH

At the funeral of Bonar Law in 1923 in Westminster Abbey, former British Premier Herbert Asquith is reputed to have said: "It is fitting that we should have buried the Unknown Prime Minister by the side of the Unknown Soldier."

Asquith was probably right, thinks the author though he was certainly not a friend.

Indeed, one cannot help wondering, from this and other biographies of contemporary British figures, if there were any real friendships in higher government and military circles at that period. Bonar Law appears to have had only one constant friend and supporter through the whole of his political life, fellow-Canadian Max Aitken later Lord Beaverbrook. Hardly had a premier got moved into 10 Downing Street than there was intrigue against him. There were major splits in both Liberal and Conservative parties that have not fully healed yet. Bonar Law worked with Asquith, then against him and followed the same course with Asquith's wartime successor, Lloyd George.

Born in New Brunswick, though largely educated and brought up in Scotland, Bonar Law was the first and only outsider to become a British prime minister. But there is not much about Canada in this book of his life. There is some brief correspondence with Sir Robert Borden and briefer mention of the reluctance on the part of the King to grant honors to a couple of Canadians.

Mr. Smith is Associate Editor of The Financial Post.

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How To Live Well

BEHIND THE PICTURE WINDOW 1955 by Bernard Rudofsky, Oxford University Press, Toronto; 201 pages; $4.50.

Reviewed By W. L. DACK

"It's hard to think freshly about anything as mixed up with emotion and tradition as the house," writes the author of a recent guide book to domestic happiness.

But Mr. Rudofsky in "Behind the Picture Window" thinks so freshly about the house that the reader of this unusual book must look on his own 20th century cabin with a new and critical eye.

Not just the physical house comes in for an exciting re-appraisal but much of "our way of life" within the house.

"A general disinclination to stray from the commonplace has made domestic life a drab affair," writes the author. By pointing up the absurdities of some of these "commonplaces" in the conventional house, rather startling new possibilities are hinted at. It will probably be urged as a criticism by some that the writer does not usually "follow through," rarely enlarging on what forms these desirable "breaks from the norm" might take.

But Mr. Rudofsky in his foreword explains such is not his aim. "My aim is to examine some of our beliefs and disbeliefs as exemplified by the house . . ."

The feeling does grow, however, that at times much of this tickling, provocative writing is done with tongue in cheek; that the writer gets carried away sometimes with his analytic fun-poking at the modern conventional house and its conventional inmates.

Here is a fair sample of Mr. Rudofsky's sharply critical approach: "The kitchen is little more than a place for storing and warming food. The so-called bathroom merely serves for washing and evacuating. The living room has been turned into the meanest sort of auditorium, unfit for conviviality, and probably no other civilization has produced gardens as melancholy as ours; aesthetics apart, our suburban front lawns and backyards are a gigantic waste of potential outdoor living space."

Although some of his rather sharply satiric passages will be rather hard to take, they are usually well bolstered by a wealth of convincing supporting evidence. Among other things he reviews our concepts of how to eat and drink, bathe and sleep. He is usually very entertaining, often humorous, as he informs, dipping extensively into antiquity and the ways of past generations.

Though one may emerge a rather deflated householder, this book is altogether an invigorating experience.

Mr. Dack, Chemical Industries Editor of The Financial Post, lives in a modern bungalow.

MOUNTAIN SHADOWS, by Magdelana Eggleston. William Heinemann, & British Book Service (Canada) Ltd. $2.75.

This is simple, unpretentious first novel which brings a much greater reward than the reader expects or the author guessed. It's the tale of a young girl of Lithuanian parents who was brought up in an Alberta coal town in the early part of this century. The reader has no way of knowing how much of it is autobiographical, though Mrs. Eggleston was brought up in these circumstances, and certainly the minute observation of detail which adds so much to the book must derive from her own childhood experience.

The question doesn't matter much anyway, because the story of the young Lithuanian girl's early romantic adventures is the least important — and the least successful — part of the book. It is to be read not so much for what happened to Maggy Mileris in her seventeenth year, as for the brilliantly convincing description of what an Alberta coal town was like when the present generation of adult Canadians were still children. Here you see the "melting pot," the conflicts and reconciliations of numerous different races, the general impression of the "stuck-up" English, and — in a rarely compassionate short passage — the loneliness which haunted the English too.

The author's husband, Wilfred Eggleston, is well known as a Canadian writer and former newspaperman now teaching journalism at Carleton College in Ottawa. There is something a little dramatic about her sudden appearance as a writer in her own right; and her first novel breeds the hope of others to come. She has depicted a part of Canadian life and character which most Canadians know only by hearsay if at all. But her portrait is so imaginatively vivid that it adds a glittering new facet to the reader's knowledge of Canada.

JUMP FOR IT, by Gerald Bowman, British Book Service (Canada) Ltd., $2.75, 319 pages.

Reviewed By A. L. RODGERS

This is a well written series of true experiences about the members of the most exclusive club in the world.

The Caterpillar Club was formed by Leslie Irvin, the inventor of the first "free-type" parachute. The club awards gold caterpillar badges to men whose lives are saved by his invention.

The last war increased the club's membership to over 40,000 and provided the author with some of the amazing experiences on which he has based his book.

There's the story of the pilot officer who tried to release himself from a burning parachute and the airman who, after getting orders to "bail out" caused his chute to open inside his aircraft.

These and other true stories relate episodes packed with thrills, enlivened with humor and illuminated with the quiet courage of the men who lived them.

It would seem inevitable that a story about flyers must include one of the most famous airmen of all time. "Jump For It" is no exception, for Charles Lindbergh is Boss Caterpillar, having qualified four times for his symbol of membership in the Caterpillar Club.

Ex-Squadron-Leader Bowman served with the RAF throughout the Second World War. He is a successful novelist and short story writer, and is now one of London's best known newspapermen.

Mr. Rodgers earned membership in the Caterpillar Club while serving with the RCAF during World War II. He is now Advertising Manager of "Marketing."

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The Year's Best Books

Few businessmen can keep up with the multitude of books being issued every day. To provide a basic check list for reading habits, here is a list of books—both fiction and non-fiction—recommended by the Circulation Division of the Toronto Public Library. The list includes not only 1955's most important writing, but selections from 1954 and 1953 publishers' lists as well.

The Accident — John Masters. (Hollinger $4.50)
The Age of Suspicion — Wechsler, J. H. (Random $4.25)
American in Russia — Salisbury, H. E. (Musson $5)
Apes, Angels and Victorians — Irvine, W. (McGraw Hill $6)
Apples Don't Just Grow — French, M. P. (Hollinger $3.50)
Arctic Command: Wild, Roland (Ryerson $4)
Arctic Doctor — Moody and van Embden. (Hollinger $4.25)
Atoms in the Family—Fermi, Laura (U of T $4)
Bhowani Junction — John Masters (Macmillan $4.25)
The Big Pick-up — Trevor, E. (British Book Service $2.75)
The Burning Glass — Morgan, C. (Macmillan $2)
Canada: Nation on the March—Pearson, etc. (Clarke Irwin $3.50)
Canadian Water Colour Painting—Duval. (B. & MacEachern $7.50)
Canadian Drawings and Prints—Duval. (B. & MacEachern $5)
The Cashier—Roy, Gabrielle. (Hollinger $3.95)
The Challenge — Bottome, P. (McLeod $3.50)
Against Whom? — Bottome, P. (British Book Service $2.75)
The Channel Shore — Bruce, Charles (Macmillan $3.95)
The Chartered Libertine — Allen, Ralph (Macmillan $3.50)
Collected Poems (1934-52)—Dylan Thomas. (Hollinger $2.50)
Portrait of the Artist as a Young Dog—Dylan Thomas. (Book Center)
Adventures in the Skin Trade—Dylan Thomas. (Book Center $4)
The Confessions of Felix Krull—Mann, T. (Hollinger $4.95)
The Dancing Bear—Faviell, F. (Clarke, Irwin $3.15)
The Dangerous River—Patterson, R. M. (Nelson $3.25)
The Dark Child—Laye, C. (Longmans Green $3.25)
The Dark is Light Enough—Fry, C. (Oxford $2.00)
Devices and Desires—Robertson, E. H. (Clarke Irwin $2.10)
Doctor to the Islands—Davis, T. & L. (Hollinger $5)
The Dollmaker—Arnow, H. (Macmillan $5)
An English Year—Fairbrother, M. (Clarke Irwin $3.75)
Epstein, an Autobiography—Epstein, J. (Clarke Irwin $6.25)
The Fall of a Titan—Gouzenko, Igor (British Book Service $3.50)
The Family of Man—Steichen, E. (Musson $12)
Flamingo Feather—van der Post, L. (Clarke Irwin $3.50)
The Flower Girls—Dane, C. (Collins $3.95)
The French Canadians—Wade, F. Mason (Macmillan $6)
The Genius and the Goddess—Huxley, A. (Clarke Irwin $1.50)
"The Gentle House"—Rose A. P. (Thomas Allen $2.75)
Gertrude Lawrence as Mrs. A.—Aldrich, R. S. (Nelson $5.50)
Gift from the Sea—Lindbergh, Anne M. (Hollinger $3)
The Go-between—Hartley, L. P. (Collins $2.75)
The Good Shepherd—Forester, C. S. (Collins $3)
Grateful to Life and Death—Narayan, R. K. (B. & MacEachern $3.75)
Gully Farm—Hiemstra, M. (Hollinger $4)
Heroic Heart—Malthe-Bruun. (Random $3.50).
The Hidden River—Jameson, S. (Macmillan $2.50)
The Hill of Devi—Forster, E. M. (Macmillan $3)
Hiroshima Diary—Hachiya, M. (Ryerson $4.25)
Hockshop—Simpson, W. R. (Random $4.75)
Homecoming—Osaragi, J. (Hollinger $4.25)
Immortal Rock—Salverson, L. G. (Ryerson $3.50)
Inside Africa—Gunther, John (Musson ($6)
The Invisible Writing—Koestler, A. (Macmillan $5)
Invitation to an Eastern Feast—Coates, A. (Harper $4)
John A. Macdonald—Creighton, D. G. (Macmillan $5.75)
The Journey—Smith, L. (Nelson, Foster & Scott $4.25)
Now is the Time—Smith, L. (Macmillan $2.25)
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Man Meets Dog—Lorenz, K. (British Book Service $3.25)
Man, Time, and Fossils—Moore, Ruth (Hollinger $6.50)
Mandarin Red—Cameron, J. (Collins $3.75)
Man's Emerging Mind—Berrill, N. J. (Hollinger $4.50)
Man's Unconquerable Mind—Highet, G. (Oxford $3.50)
Marjorie Morningstar—Wouk, H. (Doubleday $5.75)
Memoirs of Hadrian—Yourcenar, M. (British Book Service $2.75)
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Thrice the Brinded Cat Hath Mewed—Davies, etc. (Clarke Irwin $5)
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The Tontine—Costain, T. B. (Doubleday, $6.75 set of 2v.)
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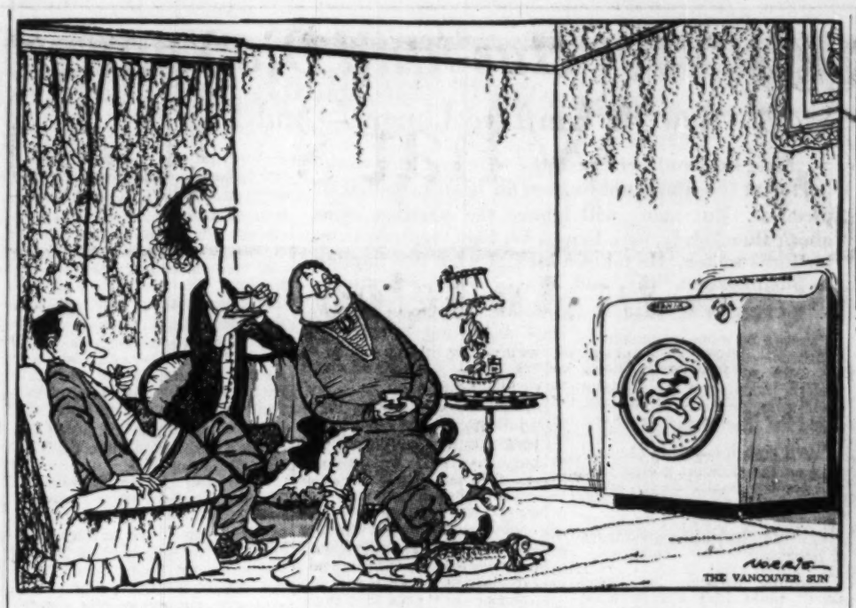

"It's perhaps not up to CBC-TV standards . . . but we find it good clean uncensored entertainment . . ."

THE BEST OF NORRIS, By L. M. Norris, $3.50, McClelland & Stewart Ltd., Toronto.

For the first time between hard covers, the cartoons of the Vancouver Sun's Len Norris are a refreshing, if quizzical look at West Coast Canada today.

As the sample above illustrates, very little is sacred to Mr. Norris. He attacks, with equal vigor the Canadian Army, the Boy Scouts, the RCMP, the Senate, the Salvation Army and the institution of marriage. He is at his best, however, when poking fun at the pseudo-aristocrats of Vancouver Island.

Preface to the volume, written by the publishers, states that "he shows a fundamental sympathy with all his subjects, victims included." The publishers point out that "cartoons have been known to unseat government, destroy reputations, and drive strong men to suicide."

Norris's is a gentler art. The reader of this slim volume will find a constant source of chuckles, and not few outright bellows.

THE DIVERSION OF DUCHESSTOWN and Other Essays, by B. K. Sandwell, Toronto, J. M. Dent & Sons (Canada), 84 pp., $2.50.

This collection of the late Mr. Sandwell's essays includes a period of some 30 years of his writings, covering topics as diverse as bathroom singing, the beaver and ancestors. Written in a light, often gleeful vein, the pieces illustrate the author's keen insight into Canadian ways and mastery of the essay form.

Examples of both of these qualities are legion. Throughout the collection are pithy expositions on such things as The Old Families of Duchesstown, the decline of the individualistic beaver in the face of community pressures and a stirring declaration that the twentieth century is the bathroom's century because:

"The other rooms have atrophied, as they say in the biology books; the dining room is not needed because it is so much nicer to eat at the Club; the drawing room is useless because the young people now prefer to dance at the Ritzdorf; the library disappeared a generation or more ago when people found it was easier to borrow books from the public library than to buy them."

Mr. Sandwell, a contributing editor with The Financial Post until his death, was editor of Saturday Night from 1932-51.

WHITE GOLD IN THE CASSIAR by William G. Crisp; J. M. Dent & Sons (Canada), Toronto, 213 pp., $3.

William G. Crisp's White Gold in The Cassiar is a double-barrelled success story. It has won the Dodd-Mead Boys' Life Magazine prize of $2,000: It also represents a personal triumph over ill health for the author.

In a clear, easy style Mr. Crisp writes of a part of the world with which he is very familiar and obviously loves—the wild Cassiar region of Northwestern British Columbia. It was inevitable that his boy central character—Scott Haliburton—should cover much of the territory he so often did himself; should thrill to the vastness of mountains, of shooting whitewater.

There are dozens of scenes and situations in this story that will delight the adventure-loving boy. The eventual discovery of "White Gold"—asbestos—by young Haliburton should bring a thrill of excitement to the young reader.

Although the book is essentially for the older boy, the directly told, fast-moving story is certain to have appeal for quite a wide age range. A close attention to the peculiar type of story details that usually interests the boy reveals a deep understanding of the reader audience.

The fact that this same Cassiar country, of which Mr. Crisp so fondly writes, is today providing one of the most promising Canadian asbestos mining developments, strengthens the note of credibility which runs through the whole story.

The author's own life story would be the envy of many a boy. He was born in Dawson City in the Canadian Yukon, grew up in Vancouver and eventually headed north as radio operator in a trading schooner bound for a three-year cruise in Arctic waters. His winter duties ranged from sending out weather reports to running fish nets under the ice to provide food for the post dog team. He raised and trained a team of seven huskies and used them on many sled trips in the Arctic wastes.

Crisp later spent eight years in the Cassiar country in the service of the Hudson's Bay Co. During his years in the north, radio kept him in touch with civilization. Since ill health forced him to settle down in Vancouver in 1941 his "Ham" station keeps him in contact with his beloved north and the host of friends built up there over the years.

THE STRANGE CAREER OF JIM CROW, by G. Vann Woodward, New York, Oxford University Press, 152 pp., $2.75.

Dr. Woodward, professor of history at Johns Hopkins University, Baltimore, discusses some of the factors underlying the development of racial segregation in the southern United States. He points out that sharp differences of opinion on segregation have long existed in the South and are a major factor in current moves to bring it to an end.

The book serves as a useful quick reference to persons interested in racial problems. Readers are aided by a clear writing style emphasizing the broad areas of the subject without too much burdensome detail.

THE SAGA OF AMERICAN FOOTBALL, by Alexander M. Weyand; Macmillan Co., Toronto; 240 pp.; $4.50.

TV has brought U. S. pro and college football into many Canadian homes, and the new fan—and Americans now living in Canada—will find this volume interesting. It traces the history of the U. S. game, and gives All-American teams right up to 1954. Highlights of some of the great games capture the drama of the gridiron.

AFTER YOU, MARCO POLO, by Jean Bowie Shor; McGraw-Hill, Toronto; 294 pp. with illustrations; $5.40.

A young American couple, by every means of transportation, followed the old trail of Marco Polo from Venice to Peiping. A fascinating book for stay-at-home travelers, with illustrations of strange lands and customs.

GLOOSKAP'S COUNTRY, and other Indian tales, by Cyrus MacMillan, illustrated by John A. Hall; Oxford University Press, Toronto and New York; 273 pp.; $3.95.

This might be an ideal gift for the Canadian youngster. Glooskap's country is Canada, early frontier Canada where potential Canadian Davy Crocketts abound.

The tales deal in a time before the white man came. Effectively told by a gifted storyteller and liberally sprinkled with pen and ink sketches to excite the imagination of the young fry, it's the kind of thing that leads to an interest in reading, in history and in anthropology.

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Will Your Husband Die Young?

How He Can Live Longer—And Like It

Most husbands will rush the wife and kids to the doctor at the first rumblings of ill health, mental or physical. But many will ignore the warning signs about themselves, says Ernest W. Fair, veteran U. S. business writer. He takes a look at what can happen to businessmen, why, and how to take precautions.

By ERNEST W. FAIR

"There's no more cantankerous individual—when it comes to taking care of himself—than the modern business or professional man," a doctor friend of mine declared the other day.

"He'll rush the kids to the hospital on the slightest pretext and yell for the family doctor every time his wife looks tired — but take care of himself? He never does it until he's had a good scare at least once."

Learning through the "good scare" route isn't always wise; and it may be too late to learn.

"And though they should be among the most careful of all individuals, I've found business and professional men right near the top of the list," this same doctor declared.

Most business and professional men consider themselves rugged individuals; maybe they are in these days and times, for it takes a rugged individual to survive today. But there's little sense in not playing the odds according to Hoyle. Gambling at 2 to 1 to fill life's inside straight is as bad business as working on the same hand in a poker game.

"Accumulated nervous tension," another doctor told me, "damages more professional men's constitutions than anything else I've noticed. Maybe it's the tempo of today's business or maybe it's something else, but one big thing is that we're not taking enough time to relax anymore."

Hobbies Are Exacting

Relaxing is more important than one may think at first reflection. It should be both mental and physical. The man who has a real hobby generally lives longer, gets a bigger kick out of every day of his life, and is in top shape mentally and physically all of the time.

Having a hobby isn't, however, a positive guarantee of long life for any executive. The hobby has to have sufficient power and interest to completely absorb us and attain complete mental freedom from our business problems.

There are a thousand hobbies from growing prize roses to building model railroads; always one that will interest any businessman. But it has to be a hobby that will have sufficient interest in itself to make one completely forget one's business problems.

Not one businessman in a hundred can go home from his office and forget his business without a powerful interest to completely dominate it. Ordinary pastime pursuits will provide interludes but not complete freedom. Going on day after day and night after night with concentration on a single theme can put some of us on the "happy farm." For most of us, the result is broken health and inability to properly plan our business lives.

"We never hire a junior executive who hasn't learned to separate his business from his home life," the head of a large national organization told me some time ago. "The executive who can approach his business with a fresh and alert mind every morning is the one who has left his business in the office the night before."

Every executive has learned how important it is to operate his business on a budget; few businessmen, doctors tell me, can learn how to properly budget their own business of staying alive a long time and staying alert all of the time.

"Finding time for relaxation, finding time for play, finding time for outside interests . . . all those things are important to a businessman's good health," we have been told by several experts, "and his health is of dollars-and-cents importance to his business or profession."

It takes top health to have the mental and physical energy to make intelligent decisions . . . it takes top health to be ready for unexpected emergencies in the life of one's business . . . it takes top health to be the kind of business executive who inspires results from the people around him.

There are as many such "systems" for guiding one's health as there are sub-paragraphs in a government regulation. Some are good, and some are bad, but medical men generally will advise that "fads" and "easy to follow" schemes are generally not only worthless but—what is more important—dangerous.

There's no "magic formula" to good health for any executive. But there are a few steps that every one of us can take. The results will offer no assurance of our living forever but will give us more out of the life we are allotted.

Some Guarantees

For several years I've been asking questions on this subject of every executive and every doctor I met. It's amazing how often the same advice is given over and over again. It all condenses down into these "guarantees" of all the results good health can give any businessman who follows them.

1. Know your doctor as a friend. Too many of us look on the family doctor as the caretaker of our children and of our wives . . . never consider him our own caretaker and friend as well. The doctor's ability to help any of us depends on his knowing all about us all of the time.

2. See the family doctor regularly. A check-up of one's physical and mental condition is just as important as a maintenance check-up on our equipment. The average life expectancy of all of us has leaped in the past twenty-five years because of the wonders of preventive medicine developed in those years. None of these advantages can be ours if our doctor cannot discover the need for them early.

3. Check every health idea with the family doctor. When we're feeling low, there's always someone ready to step forward with a sure-cure nostrum or a big health idea to solve our problem. Our wisest bet is to listen courteously and then check with the family doctor before we do anything. Some of those ideas may work well with the other fellow and not only be of no value whatever to us but they can be harmful.

4. Relax, mister, relax. We can run the motor in our car without rest for just so long, and it will start becoming sluggish, lose its hp.s and demand attention from our "motor medic." The same thing holds true for the human body . . . its ability to keep going at top speed is good . . . but limited . . . slow down, give every part of the body's machine a rest, and it will keep functioning at peak efficiency much longer.

5. Follow simple health rules. Medicine has learned a lot in the past 20 years and all for our benefit; but unless we listen and put into practice these principles, all of this accumulated knowledge does us no good whatever. Here's a suggestion—our insurance company is vitally interested in our living as long as possible so they have all sorts of very good literature on how to prolong one's life—all we have to do is ask our agent for it — and follow the simple rules of good health laid down in these booklets.

6. Know the danger signs. When that clatter-bang starts coming out of the family car, we know there's trouble in the engine and rush to a garage. When something goes wrong with a lot of us we reach for a pill and forget all about it until the next time. The clatter-bang is the car engine's warning of trouble—so is that out-of-ordinary clamor in our own physical makeup—it's no time for a pill; it's time to have a check with the old family doctor and see what the warning is about so something can be done about it right now.

The great majority of cancer deaths can be avoided, we are told, if it can be spotted in first stages. So can nervous breakdowns, and a lot of other mental and physical ailments. We have a marvelous piece of machinery in the human body, and it's loaded with scores of safety valves and warning signals if we but listen to the warnings when they occur.

7. "Worry gets most businessmen." I've heard expert after expert declare that, and I've seen the havoc business worries have created on many friends of mine in the past. No matter how tough the problem, how large and hungry the wolf on one's doorstep, or how unsurmountable the latest tax problem appears . . . worry and fret about them will do us no good.

"When I catch myself starting to worry about one of my business problems," a friend of mine told me some years ago, "I grab my hat and get out of the place as fast as I can . . . rush home, pack my fishing gear, and head for the nearest angling spot. The problem always waits for me, and when I come back I'm in much better shape to work it out because I didn't let worry completely overpower my ability to reason out the predicament."

8. "We can't all be Henry Kaisers." Doctors have told me that overpowering ambition has shortened many a businessman's life from five to twenty years. Trying to do too much always results in fatigue—the physical kind we readily spot; mental fatigue seldom shows up until it's too late. Handling the problems of one's business in these times is enough for any man.

9. Develop an easy disposition. That's a large order for many of us because of the way we are put together, but if we can readjust ourselves we'll live a lot longer and enjoy the years we do live. We know frequent high-speed spurts on our automobile engine are damaging; tempers, tantrums and fits of anger do our bodily machine no good either.

10. Play the health odds closely. Not many of us would pay $100 in a poker game to draw two cards to an inside straight, but we'll take on the same impossible odds with our health sometimes. Working late three nights in a row is such a procedure . . . taking on more than we are able to handle in the business world is another.

Success in the business world sometimes gives one a superman complex with the idea that we're able to take on more things health-wise than the average individual. Insofar as the average businessman is concerned he is actually less of a superman than his wage-earning compatriot in the world of business. His work gives him less over-all exercise of his body, confines him indoors in most cases, requires greater nervous tensions, and in a score of ways is more demanding on his physical well-being.

Yes, "you can't live forever," but we can live much longer and enjoy it more fully, if we give the same attention to our personal "machine" as we do to those we use in the operation of our business.

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The shareholders of Federated Petroleums, Ltd., in a letter dated October 20, 1955, have been informed of a proposal to merge with Home Oil Company Limited on the basis of one Class "A" or Class "B" share of Home Oil Company Limited for two shares of Federated Petroleums, Ltd.

The shareholders are also advised that the transfer books and register of members will be closed in the cities of Vancouver, British Columbia; Calgary, Alberta; Winnipeg, Manitoba; Toronto, Ontario; Montreal, Quebec and New York, New York, from November 26th to December 6th, 1955, both days inclusive.

Shareholders whose shares are held by banks or stock brokers should contact them immediately for detailed information concerning the proposal. Shareholders who elect to receive Home Class A shares must arrange to send their present certificates to Crown Trust Company, Calgary, Alberta, in ample time to arrive on or before 5:00 p.m. December 5, 1955.

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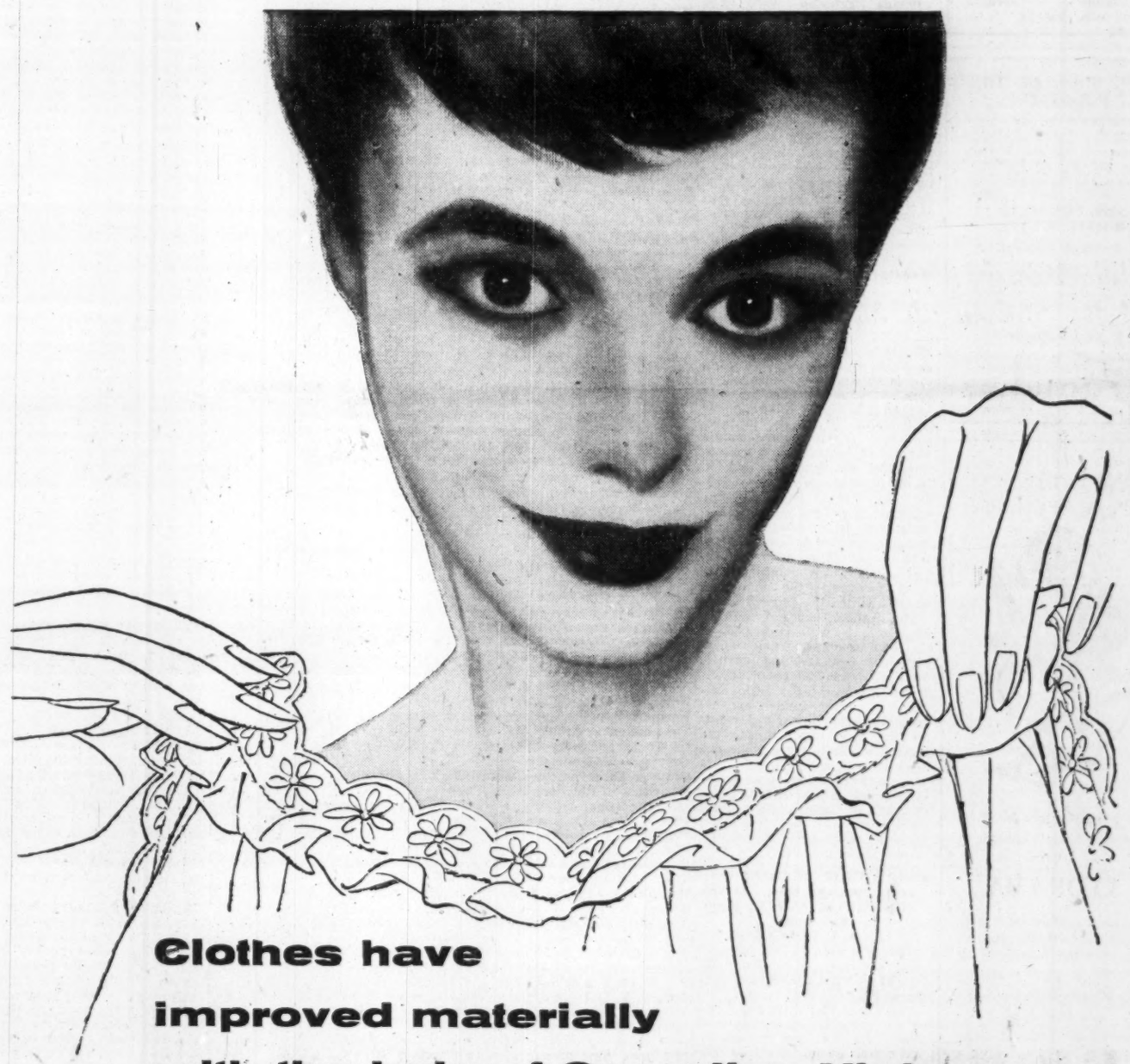

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U.K. Industry Offers Atom Power Plants for Export

Four British industrial groups casually dropped an atomic bombshell a few months ago and the reverberations are still being heard around the world.

The bomb was wrapped in a series of newspaper advertisements which announced that orders for atomic power stations anywhere in the world could be undertaken under a single contract. It indicated that Britain was the first country in the world to be able to offer for export packaged atomic power plants. One advertisement stated: "Working as a group the three member firms are equipped to do everything from preparing the site to feeding electricity into the public supply." Delivery dates are estimated to be about five years hence and the price is expected to be around $40 millions.

It is now estimated that Britain has a one to two years' lead in the atomic power business.

British concentration on atomic power, pushed by her present precarious power situation, has put U.K. private industry away out in front. On a wide scale, it is co-operating actively in the British Government's 12-station ten-year plan for atomic power stations. The first of 12 atomic power stations is scheduled to start feeding into the national power grid system by the end of next year.

In the U.S., where about ten power reactors ranging up to 180 megawatts are scheduled to come into operation by 1960, only one is operating, and this is only 10,000 kw., enough to supply a town of about 5,000 people. It is the land-based prototype for the atomic surface vessel Sea Wolf and is at present feeding power into a local public utility.

An Early Start

Britain went into atomic power research seriously ten years ago when other countries were still thinking about it. The U.K. was faced with a nightmare threat of insufficient power for her industries. Coal for steam generators —main present source of power— was dear and not enough of it coming to hand. Oil was economically out of the question. Atomic power seemed to offer the logical solution.

There could be no question in the first 15 or so years of atomic power replacing existing coal burning units. What was sought was an annual extra supply of power to meet needs of an expanding economy.

By 1953 Britain's atomic planning was well advanced. The time had come for the first atomic station to be planned. The operation was code-named Pippa Scheme. It reaches fruition in a few months when the atomic power station at Calder Hall in Cumberland is due to start operations. Power production will be just under 100 megawatts.

Head of the scheme is Sir John Cockcroft, director of the Atomic Energy Research Establishment at Harwell. This is how he described the plan to The Post: "As was shown in the Geneva conference on the peaceful uses of atomic energy, the next five years is going to see the construction of a number of pioneer types of large-scale nuclear power stations in the range of 75 to 200 megawatts, and a period of extremely rapid development in nuclear technology is immediately ahead. In Great Britain we shall have our first experience of handling a nuclear power station next year, and we envisage the building by electricity authorities of 12 during the next 10 years. In addition a number of others will be built and operated by the Atomic Energy Authority.

"The Authority has been responsible for the research and development connected with the design of reactors for power stations, but a number of industrial firms have been given opportunities of obtaining experience through design and construction contracts. Others are engaged in design studies for more advanced types. Four large industrial groups have been formed which will continue with design and construction work both for electricity authorities and possibly for other countries. Representatives from firms have been given training in our reactive school at Harwell, and an increasing number of firms are keeping in touch with developments in particular fields."

This atomic power station model may be the basis for the $40 million packaged type which a group of British firms claims can be built in any part of the world under a single contract. Designed by General Electric of England, it shows reactors as giant cylinders in three six-batch units. Nuclear reaction produces steam to feed generators.

This was the move that was to start the world talking. Four major electrical companies were informed that they could enter the program, but to do so they first had to link up with a power plant firm and a contractor. That meant they presented an industrial unit capable of design, building and putting into operation complete atomic power stations.

Each Group—One Station

The four firms approached were: English Electric, General Electric, Associated Electrical Industries and C. A. Parsons Ltd. Once formed the teams were given all the research information assembled by the Government and they went to work.

Each group was invited to submit tenders to build one station in Britain. During the next four years about six or seven more stations would need to be built. Unless one group should produce a design so much better than any other—which owing to the degree of shared information is unlikely —each group would build one. Later contracts will be decided on actual construction and operating ability.

Heart of the British design is the Gas Cooled Graphite Moderated Reactor. At Geneva this led to some heavy discussions. U.S. and Russian reaction was that it was old-fashioned. Britain's answer was "it's safe, it works." There will be better reactors coming along but for the time being Britain wants to get going, not to wait.

Where does this put Britain in the export picture? A high-pressure sales program would quite probably materialize in atomic power station orders. At about $40 millions a unit, that could greatly help to ease Mr. Butler's problems.

On the other hand Britain's economy is expanding. The additional drain on power resources is making tremendous demands.

In 1950 an emergency "crash" program was started in the mines to boost coal output. Britain has managed to maintain the 200 million tons a year output figure but not to add to it. Reason: each year the seams that are left become harder to mine as the men and machines press deep into bends and crevices left alone in the days when easy coal was plentiful.

So enormous is the problem that even by 1965, should the full atomic resources be turned onto home power, it can only hope to generate 25% of the additional power in use by then.

But the atomic power export field is tempting. First country into the world market will score heavily.

Recognizing this the British Government has guaranteed any buyer of British equipment uranium fuel for 10 years.

The British groups are watching world markets. Canada stands high on the list.

English Electric recently prepared a report on the use of atomic power. The key factor: to be economical, atomic power must be used continually, not shut off between sessions. Therefore it sees a normal reactor being used to supply extra power in peak periods and driving a turbine pump for more water "back up" into a reservoir at other times.

During a power failure the set could be, the report states, detached from the pump and put into normal generating in 10 min.

An order placed today would guarantee a power station — on the present British lines — by about 1960. One ordered with major modifications would take maybe a year or two longer.

Model Atomic Power Station Will Be Shown at '56 B.I.F.

A model of Britain's first atomic power station which may well be a forerunner to packaged units for sale overseas as well as for home use, will be displayed at the British Industries Fair next year.

It will be part of the "Atoms for Britain" exhibition which was shown at the Geneva conference but comes to public view for the first time at the 1956 B.I.F. Presented by the U.K. Atomic Energy Authority, the exhibition will be a major feature of the electrical and electronics sections at Olympia, London from April 23 to May 4.

The model is the station now being built in Cumberland, England and scheduled to start feeding electricity into the national power grid at the end of next year. It is the first of 12 to be built in Britain in the next ten years.

The exhibition will include models, photographs and diagrams illustrating atomic energy research in the U.K. There will be a model of DIDO, heavy water research reactor due for completion in England next summer, and another of the more advanced and experimental power unit now under construction in Caithness, Scotland.

The use of radioactive isotopes in industry, agriculture, medicine etc. will also be demonstrated.

72-Hour Sales Marathon Pays Off For Appliance Shop

Apparently some people will buy anytime.

Toronto's Bestway TV & Appliances tried out the theory with a marathon 77-hour sale—day and night for three days plus all day Saturday. The result: Total sales for the period were up 200%, "far beyond our expectations."

Backed by heavy radio and newspaper advertising in the Toronto area, the sale was kicked off at 4 p.m. Wednesday and ran until 9 p.m. Saturday. When the dust settled, the company found its sales floor cleared to the walls.

Surprisingly, business after midnight was good enough to keep two salesmen busy in the store. Sales manager Bob Stewart estimated total volume broke down this way:

4 p.m. to midnight—65% of total sales.

Midnight to 9 a.m.—10% of total sales.

9 a.m. to 4 p.m.—25% of total sales.

Sales staff, working on a commission basis, were given staggered hours to ensure coverage during the sale period. All told 20 persons worked during the sales, dubbed "Operation 77."

"They got commission increases comparable with the total sales increase," Stewart said.

Advertising included full pages in city newspapers and spot announcements over three radio stations. In addition, a chatter and record show was broadcast from the store from midnight to 6 a.m. during the sale. "Both radio and newspaper advertising were essential to the success of the sale," Stewart said.

Some trouble is expected with city bylaws which govern the appliance store's closing hours.

"We saw some policemen come in after midnight and buy $2.70 worth of small appliances—probably for use as evidence," Stewart told The Post. "It will probably mean a fine of some sort under the city bylaw."

He hasn't decided yet whether to hold another marathon after Christmas.

ANNOUNCEMENT

C. L. GRETSINGER

The appointment of C. L. Gretsinger to General Sales Manager of the General Tire and Rubber Company of Canada, Limited, Stokes Division, Welland, Ontario, has been announced by Z. K. Waldron, General Manager.

Mr. Gretsinger, in his new capacity, will direct sales activities from the company's general offices in Welland, Ontario.

His 20 years' experience in the rubber business well qualifies Mr. Gretsinger for this new responsibility.

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The United Kingdom Trade Commissioners in Canada will be pleased to assist you in planning your trip. For full information, write to the office nearest you:

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OTTAWA—56 Sparks Street
MONTREAL—1111 Beaver Hall Hill
HALIFAX—65 Spring Garden Road
VANCOUVER—540 Burrard Street

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- Paper, stationery and printing
- Toys and Games
- General Services

SEE FAIR No. 2

APRIL 23 TO MAY 4 at Castle Bromwich, Birmingham, and Olympia, London

Featuring Industrial and Technical Exhibits:

At Olympia

- Chemicals
- Electric, industrial and domestic plant equipment
- Office Machinery and Equipment
- Packaging and Printing Machinery
- Plastics
- Scientific, optical and medical instruments

At Castle Bromwich

- Hardware
- Engineering Products
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Whichever Fair interests you, you'll find it's good business to visit the 1956 British Industries Fair!

Come to Britain for the

BRITISH INDUSTRIES FAIR

LONDON AND BIRMINGHAM

B44

ANNOUNCEMENT

A. E. LePage Limited Announcement

GEORGE HURST

Mr. A. E. LePage, President of A. E. Lepage, Ltd., announces the merger of George Hurst Real Estate with his Firm. Mr. Hurst is a well-known Toronto Realtor who has specialized in the sale of Residential, Commercial and Industrial properties for many years and is a former Director of The Toronto Real Estate Board.

Bank of Montreal Plans Major New Montreal Building

MONTREAL (Staff) — The Legislative Assembly in Quebec will debate a private bill within the next few weeks to grant the Bank of Montreal permission to build a new multi-story centre in downtown Montreal.

Chosen site is in Fortification Lane, at present a post office building.

Under the bill, the building may cover 3,068 square feet and must be at least 18 feet in height.

A spokesman for the bank said no detail plans could be made until the bill was sanctioned. In any case some delay is expected while post office employees find new offices.

Once the bill is accepted the Bank of Montreal agrees to pay the city $20,000 "in lieu of any special and annual tax" for the occupation of the public domain."

Bank officials will announce details after the bill has been passed. They hope it will be later this month.

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Contin'l Casualty Opens New Bldg.

A new seven-story head office building for Continental Companies in Canada has been opened in Toronto's insurance row on Bloor St. East. Occupying five of the floors are some 400-plus employees of Continental Casualty Co., its subsidiary Transportation Insurance Co., and Continental Assurance Co.

These are some of the statements made by officials presiding at the opening:

—Hon. R. Douglas Stuart, U. S. Ambassador to Canada: "I am confident the Continental Companies will continue to be upstanding and forthright Canadian citizens, always remembering that they are part of an American company, but with full realization that they must be good citizens here. We have faith in Canada as evidenced by the fact only Canadians are in charge of the Continental Companies in Canada. We learned very early that our affairs were quite safe in Canadian hands."

—J. M. Smith, of Chicago, first vice-president of the Continental group of insurance companies: "Canadians may be too close to their golden future. That is why Canada must get into the habit of thinking big, and must go on thinking big. . . . If Canadians feel a defensive feeling has grown up through living too long across the fence from a giant, if Canadians ever had a mild case of inferiority, they must be recovering from it very rapidly now."

—Ross D. Heins, Canadian general manager: "It is said that success should be its own reward, but little is said about the penalties of success. We have succeeded to date at Continental Companies, built this head office—it's all the more reason we must not fail, must continue to succeed and make success a perpetual habit."

REYNOLDS ALUMINUM CO. OF CANADA new listing of 15,000 4¾% cumulative redeemable first preferred shares, $100 par, were admitted to trading on the Montreal Stock Exchange on Nov. 28.

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Week Ended Nov 25, 1955

	U.S.$	U.K.£
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Tue.	99 31/32	2.80 1/16
Wed.	99 31/32	2.80 1/16
Thu.	100	2.80 2/16
Fri.	100 1/32	2.80 3/16
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U. S. rate reported by Bank of Canada.
U. K. bid, reported by Toronto-Dominion Bank.

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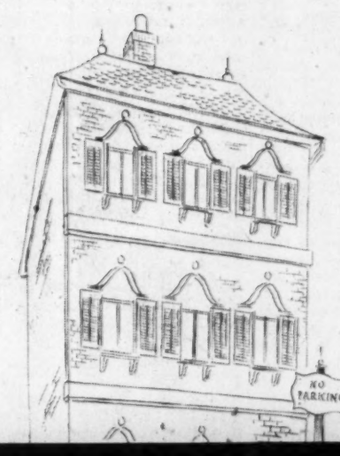

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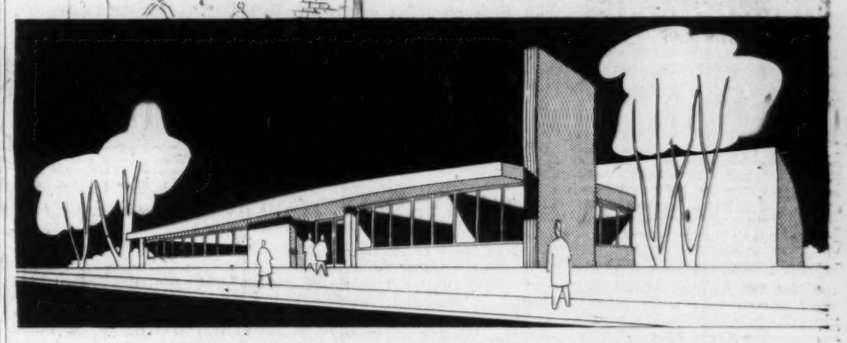

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LETTER FROM AUSTRALIA

Money Costs A Lot More Here

A Look At Some Economic Features Of Australia

Mr. Chalmers is currently visiting Australia and New Zealand.

By FLOYD S. CHALMERS
President, Maclean-Hunter

ADELAIDE, Australia—Investors demand — and get — high yields in Australia. The Commonwealth Government is now offering a $30-million loan to the public. The one-year securities pay 3%; the 10 and 15 year maturities pay 4½%. Moreover there is a rebate of the first 10% of the income tax rate, similar to Canada's 20% dividend credit. The effect is that for the man with $10,000 of taxable income, the 4½% is the equivalent of earning 5½% on a taxable security.

It follows then that private companies pay well for money. Industrial finance and debenture companies pay 3¼% for three months; 4¼% for 12 months and 7% for 15 years.

Common stocks may yield more or less than these rates depending on whether the companies are known to be plowing back earnings. On Melbourne Stock Exchange this week, according to a quick count I made, there were 36 stocks yielding over 10%; and an additional 203 yielding 7% or more.

A great deal of U. S. and U. K. capital is coming to Australia; less from Europe. All told, outside investments here are much smaller than in Canada. We have in our country, for example, some $9,000 millions of U. S. capital of which nearly $6,000 millions represent "direct" investments of some 3,200 firms with an annual turnover in Canada of over $5,000 millions.

A good estimate of total J. S. investment in Australia is about $450 millions. Some 700 American firms have invested $387 millions in "direct" investments. However, only about 190 are branch plants; the others operate under licensing arrangements, often taking a small stock participation in the Australian company.

U. S. investment here is still less than 25% of U. K. investment but the rate of acceleration of American participation in Australian industry suggests that they may overhaul the British in about 20 years.

Technological Progress

Australian industry is at least a generation behind Canada's development. This applies to technology as much as to size of operations, variety of production and worker skill.

There are notable exceptions in this general picture of a backward industrial economy.

The new continuous strip steel mill of Australian Iron & Steel near Sydney is up to the minute and altogether Australian steel capacity has doubled since the war to about half of Canada's production.

Prices are below the landed cost of U. K. and U. S. steel but the local industry cannot begin to meet the demand. Also some of the General Motors Holden automobile plants are as modern and as efficient as one could wish for; not up to U. S., U. K. or Canadian standards but nevertheless an enormous advance on what has been generally acceptable here to date. There are many smaller plants that have been able to transplant foreign skills and techniques with success.

General Motors Holden story is something of a saga. Since the war General Motors has invested nearly $100 millions in Australia. It now employs 14,500 workers, of whom about one third are "new" Australians.

Being short of both sterling and dollars, Australia permits import of few cars and not many parts. Each company has a foreign exchange quota, within which it must live. If it brings in engines and accessories it soon runs out of production. So every effort is being made to increase Australian content.

G.M.C. went at it boldly; with teams of U. S. and Australian engineers they have, postwar, designed an entirely new car for the Australian market, known as the Holden (after a native body plant absorbed some years ago). The car is not only a product of design on the ground: it is almost 100% Australian content. Production is now rising rapidly to 100,000 a year. There is a tiny export to New Zealand but nowhere else.

Vintage Cars

There seems to be no shortage of demand for cars here. Australia has about two million cars of which 800,000 are more than 10 years old! But a 10-year-old car is no phenomenon in Australia. Nelson Davis, James Melton and other collectors of antique motor cars would find the streets of any Australian city a paradise for their hobby.

Cars such as the Model A Ford, the Essex, the Hupmobile, the Stutz and the Maxwell are seen everywhere.

This morning's Melbourne Age is a 64-page paper, of which 44 pages are want ads. The largest single section of classified ads deals with second-hand cars. The prices are fantastic by Canadian standards. Some samples:

Fairly new cars:	
1955 Austin A-50	$2,300
1954 Chevrolet Bel-Air	5,500
1955 Holden (brand new)	2,500
1952 Buick	5,500
1953 Ford Customline (24,000 miles)	2,800
Older Cars:	
1927 Chevrolet	$170
1927 Oldsmobile	170
1932 Graham-Paige	350
1934 Ford	310
1937 Ford	525

A favorite pastime of mechanically minded Australians — "new" and old — is to buy two or three cars of some 1925-1930 model, all ready for the scrap-heap; tear them down and assemble the best working parts of each of them to make something that will run. Whether the product could safely venture forth upon most of the roads that are marked on Australian maps as highways is an appropriate subject for speculation.

Largest Canadian investment in Australia is Ford, with a main plant near Melbourne and body and assembly plants in most state capitals. Ford has not designed a car especially for the Australian market but has adapted recent U. S. and U. K. models with great success.

A Ford Customline is a big car in Australia and is only for the well-to-do. Ford employs about 7,500 and is gaining rapidly. Its Australian content is somewhat around 75%. Chrysler, Rootes, British Motor and some other companies also operate in this industry with its 80,000 employees and plants valued at nearly $110 millions.

Next largest Canadian investment in Australia — and the largest of any Canadian-controlled company — is H. V. McKay Massey-Harris. Back in 1930, Massey-Harris merged its Australian distribution with the old-established H. V. McKay enterprise. Last year the balance of the Australian interest in the company was bought out and the company has embarked upon a program of plant modernization and extension of distribution facilities.

Leader in this work is L. T. Howe. Ritchie, managing director, who like Ford's managing director, Charles A. Smith, came to Australia after being in charge of operations in South Africa.

He, like Smith, is a tall, aggressive modern-day industrialist, quickly adjusting himself to the difficulties of operating under Australia's state-dominated labor laws, the tight foreign exchange controls and the willingness of the average Australian to be very happy with the second best. Massey-Harris-Ferguson, through its wholly owned subsidiary, is well integrated into the Australian industrial scene and its potential is very great. It has 3,500 employees. It has recently established chairs in agricultural engineering in Australia, to the end of speeding up farming methods and training engineers for its own plants.

Budding New Industry

There have been enormous new investments in oil refining in Australia postwar, but the search for crude has not yet got far beyond the stage of arousing tantalizing hopes. There is a big aluminum scheme on in Tasmania, where there is a total power potential of 2.5 million hp. Bauxite will come from Malaya, and later from the top coast of Australia itself. Initial production will be about 13,000 tons a year.

Australia has one of the highest tariffs in the world and this is spurring industrialization. European immigrants have supplied most of the necessary new workers but labor is still short. Wages are fixed by a complicated combination of federal and state arbitration courts, but the wages fixed tend to be minimum wages. In a time of labor shortage, workers shop around, taking bonuses here and there and move from one job to another.

One employer who increased his over-all labor force by 4,000 last year hired 44,000 new employees to achieve that growth. Productivity of the average worker is about 25% below the Canadian level; 30 to 33% below the U. S. level. It is not clear that labor is any more at fault than management itself for this unhappy comparison.

Australia needs capital and the inventive genius of new industrial promoters from overseas if the standard of living is to be brought up to the North American level. There can be no question that carefully planned industrial investment in Australia will pay by dividends over the next generation. But patience must be exercised; things don't move in bureaucracy-ridden Australia as fast as they do in Canada. Australia has no C. D.

Toronto Gallery Starts Foundation

The Art Gallery of Toronto has created a foundation designed to attract endowment funds that will be used to purchase representative works of art required to round out the gallery's collection.

Creation of the foundation was announced by A. Bruce Matthews, past president and current chairman of the finance committee of the gallery. First item in the foundation budget is some $500,000, proceeds of the sale of an estate owned by the late Frank P. Wood. The gallery declined to name the purchaser, but it is believed to be Garfield Weston.

With Mr. Wood's endowment in operation and with other benefactions that will follow, the gallery hopes to be able to devote more funds to acquiring works of art "for the enjoyment of the citizens of Toronto and their visitors." Establishment of the fund, however, will probably not solve the annual financial difficulties of the gallery.

A deficit is expected for the current year.

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FOR SALE
WOODEN FOLDING CHAIRS, $3.95. Discount for quantity. Strong and comfortable. Sample on request. Holland Traders, Paris, Ont.

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OVER 20 YEARS experience in Canada, Europe, Asia, Latin-America and Caribbean, available. Box 144, The Financial Post, Toronto.

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TO WESTERN PETROLEUM INDUSTRY
CARRY INVENTORY
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Box 159, The Financial Post, Toronto

FOR SALE

183 LADIES HOSIERY SEAMLESS NYLON MACHINES — 400 and 474 NEEDLE — EACH MACHINE FULLY AUTOMATIC — SCOTT AND WILLIAMS MAKE

Together with looper machinery (latest type) also complete modern dyeing and finishing department (if wanted). Ladies' seamless nylon hosiery is today's and the future smart hosiery trend. Conventional or stretch ladies' hosiery can be knit on these machines. A wonderful opportunity for a very high and extremely profitable business in Canada. This machinery now in the United States operating full time. Only those really interested and financially able need answer this adv. Mill can easily be moved by truck and operations started quickly.

Box 158, The Financial Post, Toronto

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$22,000 will handle THRIVING SELF-SERVE COUNTRY GROCERY STORE with MODERN BUSINESS BUILDING bringing Rental Income. GROSS ANNUAL TURNOVER expected to be over $96,000. Complete Shopping Centre Possibilities. Price for Building, Stock & Equipment — $41,000.00. Fitzmaurice Ltd., Real Estate Agents, Vernon, B.C.

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$30,000 required to finance production and sale of developed and patented machine with good sales prospects and excellent earning potential. Will give liberal interest in business. Individuals concerned are responsible and have adequate business experience.

BOX 157, THE FINANCIAL POST, TORONTO

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Our Associates have unlimited mortgage funds at moderate costs for large commercial and industrial projects — old or new. Will arrange on long amortized period, or lease-back purchase plan, or temporary basis. All negotiations strictly confidential with no obligation to your enquiries. Write or phone.

REGENT INVESTMENT CO., 15-A ST. CLAIR W., TORONTO, WA. 1-1831

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one of Western Canada's leading weekly newspaper and printing establishments in city in reliable crop and oil development area. A sound business being offered for sale only on account of age of owner. $50,000 will handle.

APPLY BOX 124, THE FINANCIAL POST, TORONTO

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Brokerage, distribution, or light manufacturing business wanted as going concern by sales executive. Any Canadian locality with good growth possibilities. Will consider anything in $25,000 to $400,000 bracket. Reply in confidence to

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MERCK & CO. LIMITED
P.O. Box 899, Montreal 3, Que.

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New industry being established on St. Lawrence North Shore requires capable and experienced man, age 35 to 45, to organize and manage office and supervise accounts during construction and subsequent operation. Accounting degree and knowledge of French desirable but not essential. Candidate selected may expect good starting salary with excellent prospects for the future.

Apply Box 145, The Financial Post, Toronto

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Large and expanding Canadian industry requires young industrial accountant with university or accounting degree. Must be thoroughly experienced in all phases of industrial accounting. Excellent opportunity for a capable, ambitious person to advance to responsible position.

Reply to Box 154, The Financial Post, Toronto

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Box 149, The Financial Post, Toronto

ANY OFFERS?

Senior executive with considerable administrative experience, would like change to aggressive small Organization, Mining Group or member brokerage house; mid forties with engineering degree.

BOX 155, THE FINANCIAL POST, TORONTO

U. K. TRADE COMMISSIONER AVAILABLE

(Temporary Civil Servant) in charge of Prairie Post over past 8½ years terminates Services at year's end. Previously with British Supply Mission in Washington, D.C. Well experienced in market research and public relations, extensive personal contacts in Canada, U.K., and U.S.A.; good public speaker, able organiser and administrator, seeks a good tough job requiring plenty of hard work. Prefers Canada but will go anywhere. Unencumbered. 52. Excellent references.

Write to W. G. Coventry, 403 Royal Bank Building, Winnipeg

SENIOR DESIGN ENGINEER

Large Southern Ontario manufacturer embarking on a diversification program requires the services of a senior design engineer, preferably under 45, experienced in the design of truck trailers and truck bodies. This is an excellent opportunity for a qualified man able to successfully demonstrate his abilities and assume the engineering responsibilities relating to these products. The starting salary will be attractive. Please reply giving details of experience and qualifications. All replies will be held in strict confidence.

BOX 147, THE FINANCIAL POST, TORONTO

THREE-IN-ONE JOB
Writing — Editing — Industrial Advertising

Large non-ferrous metals company requires a man, 25 to 30 years, to assist in editing semi-technical monthly external publications and to backstop on industrial advertising.

Applicant should have a flair for technical writing or technical background. Operating out of Toronto, this opening offers an opportunity to do some traveling and to visit wide variety of industries.

Please give a summary of educational qualifications and, if possible, a sample of any technical writing.

Box 150, The Financial Post, Toronto

"OPPORTUNITY — OVERSEAS"

Wanted engineer executive with practical mechanical experience to participate in formation of new Australian company with existing capital available of over $60,000 to manufacture electronic components. Profit participation agreement and return passage paid if required. State willingness or otherwise of investing up to $25,000. Apply stating education, previous experience, age, marital status, and desired salary. Applications confidential.

Box 156, The Financial Post, Toronto

ACCOUNTANTS

We require the following:

1. A top calibre machine accountant with at least 5 years' experience in the design and installation of major accounting and related systems in the punched card field. Age limit—38.
2. A university or accountancy graduate with several years' experience in the field of systems and procedures with particular emphasis on cost work. Age limit—35.

The men we are looking for should have imagination and be able to develop and co-operate with others. A university and/or accounting degree preferred.

To these men there will be offered the opportunity for practical training in electronics in the U.S.A. and/or Canada. Reply in confidence to:

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS
460 ST. JOHN STREET, MONTREAL — 66 KING STREET WEST, TORONTO

TRUST OFFICER
(Bilingual)

One of Canada's larger and most progressive trust companies requires an experienced, bilingual Trust Officer under 45 for Montreal office. Thorough knowledge of administration of estates in the Province of Quebec and ability to assist in the development of a trust department are essential.

Splendid opportunity for a man with necessary qualifications and initiative. Written applications should contain complete information about education, experience, marital status and availability. All applications treated confidentially. Our staff has been notified of this advertisement.

Box No. 146, The Financial Post, Toronto

CONTROLLER

Substantial Contracting Company with Head Office in Winnipeg requires Controller. Applicants should be in their 30's, hold a C.A. degree or equivalent and have had at least three years commercial experience in a responsible position.

The company has recently undergone substantial expansion and is now facing challenging management problems. A man is required with an aggressive personality, proven management ability, knowledge of budgeting and management control techniques, and a willingness to accept major management responsibilities.

Apply in confidence giving full personal details and enclosing a recent photograph. Interviews can be arranged in major cities.

PEAT, MARWICK, MITCHELL & CO.
80 Richmond Street West,
Toronto, Ontario

TABULATING — ANALYST

Tabulating Department Manager experienced in the operation of Remington Rand or I.B.M. equipment required by Montreal Head Office of large nation-wide manufacturing company moving toward Integrated Data Processing.

Applicants should have at least 5 years experience in machine operations; knowledge of methods, procedures, accounting and a statistical background.

Excellent working conditions with liberal benefits—salary open. Send resume of Education and Experience to

P.O. Box 232, Station "D", Montreal 22

WANTED
Industrial Commissioner

The Township of Trafalgar, in the County of Halton, in Ontario requires the services of an aggressive, personable man to implement a continuing program designed to attract Industry to the area. Previous experience as an Industrial Commissioner or similar background in Industrial promotion required. Please send resume of experience and background, including salary requirement, in confidence to the undersigned, up to 12 o'clock noon on or before December 5th, 1955.

S. A. Featherstone, Clerk
Township of Trafalgar
TRAFALGAR P.O., Ontario

CONTROLLER

Large well-established manufacturing company with its head office in Montreal has an opening in its organization leading fairly rapidly to the position of Controller.

Applicants should be 30-38 years of age; have a recognized accounting degree; not less than five years of industrial experience including costs, systems and budgeting, and be capable of providing leadership to an experienced staff. The salary range for this position is attractive, but will finally depend on qualifications.

Applications in writing should give complete details of experience and personal background. They will be held in strictest confidence and should be addressed to:

SHARP, MILNE & CO.
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507 Place d'Armes, Montreal 1, Que.

A client in the mining industry requires a

COST ANALYST — INTERNAL AUDITOR

to be located at the property in North Western Ontario.

The position includes critical analyses of statements, reports and estimates; checks of accuracy in accounting procedures and details; preparation of reports of findings and recommendations; and considerable emphasis on systems studies and improvements.

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SALES EXECUTIVE WANTED

between 30 and 40 years of age, bilingual with experience in sales, advertising, distribution technique of food products. Attractive starting salary and opportunities for advancement. Reply in confidence stating education and experience to

BOX 148, THE FINANCIAL POST, TORONTO

COMPTROLLER REQUIRED

Well established and rapidly expanding retail organization with Toronto head office requires the services of a Comptroller.

This position calls for broad experience in the application of financial controls and budgets. Preference will be given to candidates having several years experience in merchandising and branch accounting.

Approximate age 30-40.

Salary approximately $8,500.00 dependent upon qualifications.

Replies should state age, education, experience and present salary and be addressed to:

J. D. WOODS & GORDON LIMITED
15 Wellington Street West, Toronto, Canada

Replies Confidential.

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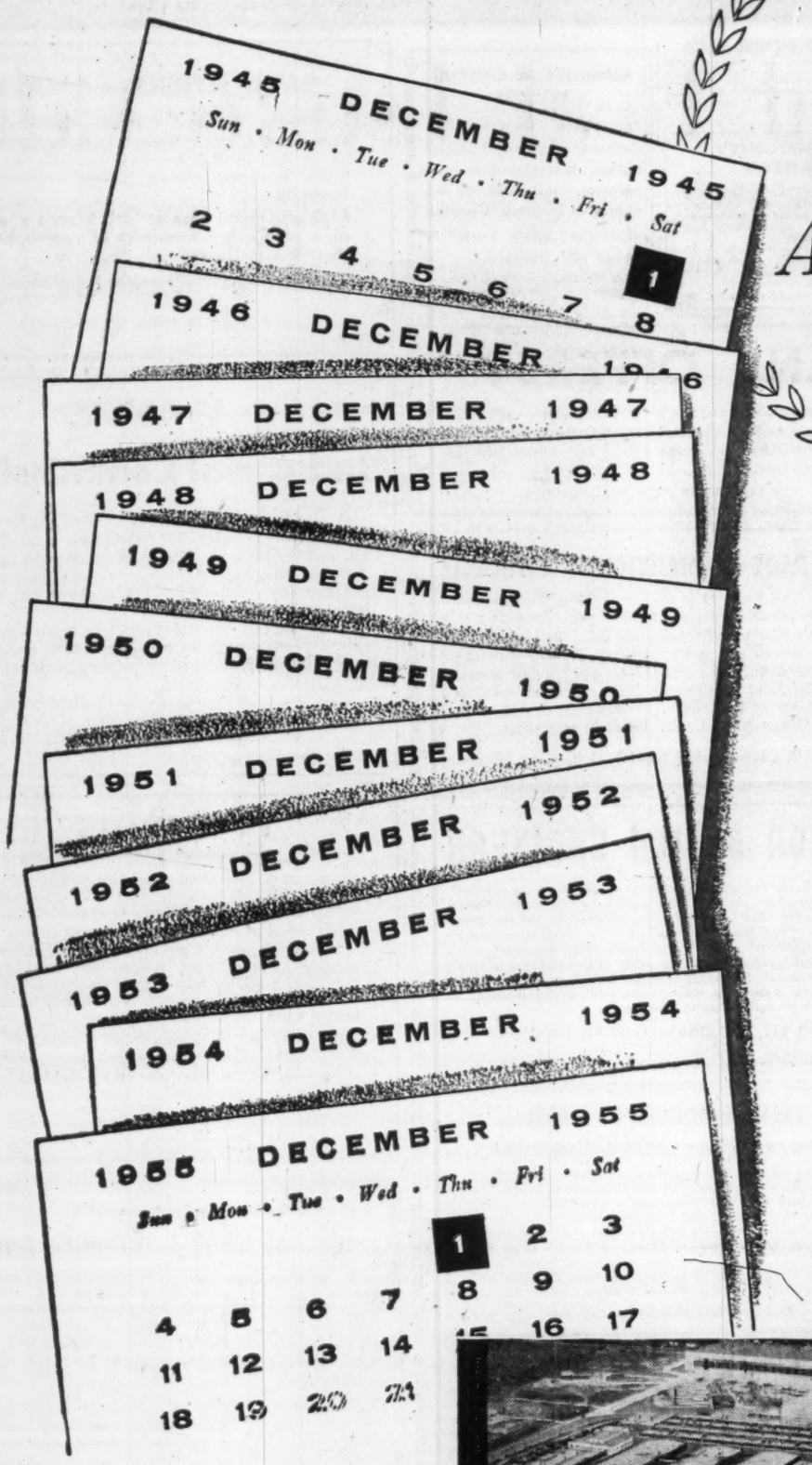

On Our Tenth Anniversary

ANOTHER CANADIAN ACHIEVEMENT

22,000 JOBS, 4 COMPANIES, 9 PLANTS, 5,400,000 SQUARE FEET OF FLOOR AREA

. . . These are the basic figures for A. V. Roe Canada Limited and its four member companies, as employers of Canadian people and their skills . . . an organization which had its beginnings only 10 years ago this week with 300 employees.

. . . These are big, impressive figures for a 10-year-old corporation. They imply much growth and development, a record of significant achievement over a relatively short period of time.

. . . They're significant figures too, providing one measure of the A. V. Roe Canada group's contribution to the health and vitality of the Canadian economy and its stake in the nation's future.

This contribution is truly remarkable. In 10 short years the A. V. Roe Canada companies have provided Canada with its first jet transport, its first jet interceptor, its first jet engine, its first private aeronautical facilities for original research. Additionally, many other firsts originated through the establishment of a network of some 1,000 subcontractors and suppliers which span the nation.

And now with Canadian Car and Foundry Company Limited as a member, the A. V. Roe Canada group broadens its industrial base to include an array of commercial products that are exported to 26 countries. Through its enlarged engineering, research and development establishments the group provides additional creative opportunities for young Canadian scientists and engineers which never existed before within their own land.

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Avro Aircraft Limited, Malton, Ontario

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In production or under development are:

- Four types of aircraft
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- Steel fabrication
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- Electric trackless trolleys
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The Financial Post

Vol. XLIX | Member of Audit Bureau of Circulations | Publication Office: Toronto, December 3, 1955 | Twenty Cents an issue, Six Dollars a Year | No. 49

How The Horses Changed Real Estate Values

$21 Millions on New Tracks Means Changes for the Old

By JON KIERAN

A five-year, multi-million plan designed to rehabilitate Ontario horse racing, is reaching its final stage.

A $4-million stimulant administered to the colorful industry by the Ontario Jockey Club — purchase of the Orpen race tracks — promises to set off a chain reaction which may mean a new approach to the "sport of kings" across the country.

The move and its repercussions will certainly change the habits of Ontario's 1.1 million racing devotees and affect the estimated 2.5 million racing fans across Canada.

Here is the background of the unique situation:

Five years ago, Ontario racing was in the doldrums. It was beset by many problems, chief of which were widespread charter holdings and low purses. The purse problem typified the entire situation. It resulted from patronage declines stemming from unsatisfactory parking and customer comfort facilities at existing tracks.

An element of timidity had caused the problem and bold action was needed, if Ontario racing was to recover.

Two groups were readily capable of such boldness, Ontario Jockey Club and the Orpen interests. OJC moved first — and the result:

—Consolidation of charters;

—Closing of tracks in uneconomic locations;

—Concentration of racing at two centres, Toronto and Fort Erie.

Phase two of the five-year project was the refurbishing or replacement of racing plants and the final steps toward that end have been taken. At Fort Erie, some $4 millions have been poured into scenery, parking space, and comforts for patrons and horsemen; in the west Toronto suburb of Etobicoke a $12-million model of what a race track should be is being carved out of 830 acres in time for the running of the historic Queen's Plate next spring.

The whole move was similar, in form, to the recent $50-million consolidation of New York State tracks, a move that was financed by some of the state's largest banking houses.

Even before New Woodbine opens, however, another five-year-plan will be in operation. Here's what to expect:

—The $4-million purchase of Ontario's remaining tracks and charters, the Orpen racing empire, which was negotiated originally by E. P. Taylor's Toronto Racing Securities, will be completed by the Ontario Jockey Club this week.

Provincial Tax Drops

—The provincial tax on betting will be reduced from 7% to 6%, probably within the next year.

—A $12-million public financing program will be undertaken to underwrite some construction costs of New Woodbine, to retire existing obligations, and to finance the acquisition of the Orpen interests. The pattern will be similar to OJC's earlier $7-million financing: bonds, preferred stocks and debentures.

—Old Woodbine will be refurbished eventually, parking space added, the track reduced in size from one mile to ¾ mile, and facilities prepared for both harness and thoroughbred racing.

—Night harness racing, conducted under lights in most major North American centres, appears slated for Ontario sooner or later. Government permission will be necessary.

—Two obsolete Toronto racing plants will be closed. They are the Orpen properties, Dufferin and Long Branch. Dufferin's 20 acres will be chewed up by power shovels and bulldozers soon to prepare the way for a Principal Investments $5-million apartment and shopping centre development; Long Branch will be used temporarily for a training track. Eventually, OJC will dispose of the 90-acre property.

The full story, however, is much more complicated.

Thoroughbred racing depends on the automobile more than on any other single customer factor. Conversely, harness racing attracts a different type of crowd — the smaller spending streetcar traveler.

The Parking Problem

When Ontario thoroughbred racing reached its crossroads five years ago, parking and charter problems were the main causes of concern.

Charters in existence then (and now) totaled 14. Each called for 14 days of thoroughbred racing and 14 days of harness racing. They were distributed in such a way that racing was essentially a circuit operation. In use were: Woodbine with two charters, Hamilton, Fort Erie, Niagara Falls and Thorncliffe, each with one charter; and the two Orpen tracks, Dufferin and Long Branch, with eight charters. In addition, there were several charters issued for harness racing purposes only.

Each track was stifled by a lack of suitable parking facilities and the obvious cure of capital investment was not economically sound on the basis of 14 days' use per year. At Woodbine where parking expansion might have been economic, there simply wasn't the land available.

As parking and other congestion began disturbing customer comfort, patronage declined or at least failed to increase substantially and in turn this affected horsemen's earnings adversely. Horsemen, of course, expect to lose money on their hobby but in 1951, as one owner put it, "We were losing altogether too much."

It was at about this time that breeder-owner-industrialist E. P. Taylor swung an increased portion of his resources of energy and money behind the already deep-blue-chip board of the Jockey Club. He had been a member of the club board for some time.

The Jockey Club had acquired one extra charter in 1947, the Greenwood Club. This gave OJC 28 days of racing per year, under the basic conditions of 14 days per charter set by the federal Department of Agriculture which administers that phase of the sport-business. The actual allocation of racing dates is the function of the provincial Racing Commission.

The first major move was to seek additional charters so that tracks could be operated at least 50 days per year, the rule-of-thumb economic minimum season for efficient race track operation. Here's how it was done:

—Purchase of all 4,000 outstanding shares of the Niagara Racing Association Ltd. for $693,688. This included Fort Erie race track. (1952.)

—Purchase of all 528 outstanding shares of Belleville Driving & Athletic Association Ltd. for $575,000. This included Stamford Park near Niagara Falls. (1952.)

—Purchase of all 4,850 outstanding shares of the Hamilton Jockey Club for some $1.3 millions. This included the Hamilton race track. (1952.)

Purchase of the share capital of the Thorncliffe Breeding & Racing Association Ltd. for $500,000. The Thorncliffe property, in northeast Toronto was not included in the OJC deal (1953).

Race 84 Days A Year

The acquisition of these four racing charters in 1952-1953 gave the Ontario Jockey Club six 14-day racing privileges, a total of 84 days per year. The final step was to get the Orpen charters with their 112 allowable racing days, even more than weather conditions probably will make feasible.

While racing days were being acquired, the OJC's executive committee was making plans to solve the parking problems.

The executive committee consists of E. P. Taylor, chairman; George C. Hendrie, managing director of the club; K. R. Marshall, president; and J. E. Frowde Seagram, director. In its 1951-52 deliberations, this committee arrived at the following conclusions:

—Concentrate racing at Fort Erie and at a new track to be built near Toronto.

—Abandon or sell other racing properties.

—Postpone final decision on the future of Woodbine until the new track was building or built.

The Hamilton property was then sold profitably. The Niagara Falls track is still awaiting sale.

Where They Run

Here's what has been done to date and the plans for racing tracks in Ontario:

WOODBINE, in southeastern Toronto, is adjacent to a major east-west traffic artery. Its 80 acres face Lake Ontario. It is served by streetcar. There has been political pressure recently aimed at converting the property for park or housing purposes, but it likely will function as a race track for many years to come.

NEW WOODBINE, in suburban northwest Toronto, covers 830 acres and relatively low cost land is adjacent if expansion is necessary. Total property acquisition cost was $1.3 million.

DUFFERIN, 20 acres: "a very expensive property" says Principal Investments' A. B. Bennett. Work will begin soon on a $5 million shopping centre and there is a distinct possibility an apartment program will be undertaken as well.

LONG BRANCH, in suburban west Toronto. This 90 acre area will be held by OJC for some time as a training track. It is surrounded by mushrooming industrial development, south of the Queen Elizabeth Way, and the OJC board expects it will increase in value. It is rated at about $1.5 millions now.

HAMILTON'S 71 acres already have been converted to commercial use. Greater Hamilton Shopping Center Ltd. paid $1.8 millions for the property which now contains Simpsons-Sears, Dominion supermarket outlet and other commercial establishments valued at some $35 millions.

FORT ERIE now consists of 330 manicured acres that will draw race patrons from Toronto and Buffalo, N. Y.

NIAGARA FALLS is for sale. Its 143 acres cost the Jockey Club some $300,000 three years ago and they are worth about $500,000 now. It is believed that it will continue to appreciate in value and outside estimates are that OJC will dispose of it when bids begin to reach the $600,000 level.

THORNCLIFFE, in northeastern Toronto, is for sale. Its 324 acres are on the block for $3.6 millions but so far no takers have come forward.

Fort Erie got a $4-million face lifting that included a 110-acre addition to the original 120-acre property. This track can park some 7,500 cars now and there is room for facilities for an additional 7,500.

Decision on the location for the new track in the Toronto area was made early. Specifications for both land and buildings were simple and terse: "at least the finest in North America."

Realty firm A. E. Le Page's Brian Magee was assigned to the land-acquiring job after the executive committee had blocked out an area it fancied in north Etobicoke, near Malton. It was common knowledge at the time that the Jockey Club wanted a large block of land and the apparent interest of Taylor, and other members of the executive committee, in land several miles away helped keep price levels realistic.

The minimum size specifications followed a Taylor-Hendrie fact-finding tour of the best-known U. S. tracks.

They were winding up their tour with a visit to Hollywood Park, often considered the continent's finest. We were flying right over this beautiful 450-acre park during a racing meeting, Hendrie recalls, when Mr. Taylor looked out the aircraft window to see an almost indescribable parking congestion problem.

The result: New Woodbine sprawls across 830 acres. It has parking facilities for 15,000-20,000 cars abuilding and ultimately there will be space for 35,000 cars. A bus depot has been planned for the track and even a railroad line may be run into the property in the future.

Parking and transportation planning of such magnitude stems from the fact that some two million people live within a one-hour drive of the new track. To attract these people and to keep them coming back, it will be unmatched in North America for customer comfort and convenience; the infield layout of grassy slopes and curving lakes will make it a very nice place to be.

How Bets Grow

Here is the postwar record of how legal bets on horce racing have increased in Ontario: (illegal betting totals some $20 millions in Ontario; about $50 millions across Canada.)

YEAR	AMOUNT WAGERED
1946	$30,754,559
1947	29,034,034
1948	37,368,215
1949	38,578,514
1950	32,925,152
1951	37,606,139
1952	41,602,068
1953	50,000,916
1954	57,131,423
1955	57,273,792

Turf tracks and easy-to-reach saddling enclosures will add to the customer appreciation of the layout. In addition, a five-tiered grandstand and clubhouse seating 8,000-10,000 will have refreshment and wagering facilities in every section of every floor. It was designed for extension in the future.

Build Fireproof Stables

And the horsemen haven't been forgotten. The rows of fireproof stables are formed by H-shaped units that have elaborate and comfortable living quarters for the trainers, grooms and other persons whose function it is to produce quality horseflesh on demand. Each of the 12 stables will house 112 horses and 60 men.

Consideration will be given to wildlife exhibits in the infield. Current thinking leans toward Canada geese — if they can be procured.

In horseman's parlance, this is "going first class." The big question is: will it pay for itself and return a profit? The answer lies in the economics of OJC operation to date.

Here's the picture.

Old Woodbine has a book value of $1.1 million, an actual value of some $5 millions. Fort Erie represents an initial investment of more than $500,000 plus improvement costs of some $4 millions.

The club's three other charters would represent an investment, at today's prices, of

(Continued on page 22)

Why Sun Never Sets on Weston Biscuit Empire

Shareholders of George Weston Ltd. this week were trying harder than ever to calculate the value of what they own—and what they might own in the future.

Last week, the new stock touched $37¾, the equivalent of $150 on the old stock, and four times the 1954 low, before settling back somewhat.

Reported earnings in 1954 were $2.3 millions, or 66c a share on the new stock. But investment men are sure this figure considerably understates the real earning power behind the Weston shares, and this has been an important factor in their willingness to pay present prices for the stock.

Another big factor, particularly recently, has been the evidence of possible big growth ahead. Chairman Garfield Weston told the annual meeting last spring that the company was no longer just a biscuit, bread and cakes firm, but a holding company whose subsidiaries last year had sales totaling $550 millions.

President George C. Metcalf reported just recently that subsidiaries' sales this year would exceed $750 millions.

Last week, interests associated with Garfield Weston acquired a substantial interest in National Tea Co., fifth largest supermarket chain in the U. S. (The Financial Post, Nov. 19). Weston interests are also generally understood to be negotiating other deals, including a substantial interest in Safeway Stores Inc. of Oakland, Calif.

If these plans pan out, it would mean that food chain sales in the U. S. and Canada of $4 billions would be controlled from Toronto by the Weston interests.

How such acquisitions would affect George Weston Ltd. isn't clear. On the basis of past experience, the new companies would end up under the wing of George Weston Ltd. although what the financing arrangements would be isn't known either. However, as one investment man put it, "If Weston's just sells those companies biscuits, it would be worth a lot." (George Weston subsidiaries are already doing a big business in the U. S., now rank fourth in the highly competitive biscuit industry there.)

However, the big question still is: What is the extent of the interest of George Weston shareholders in the sales and earnings of the present widespread operations? (For analysis of what this might be see page 5)

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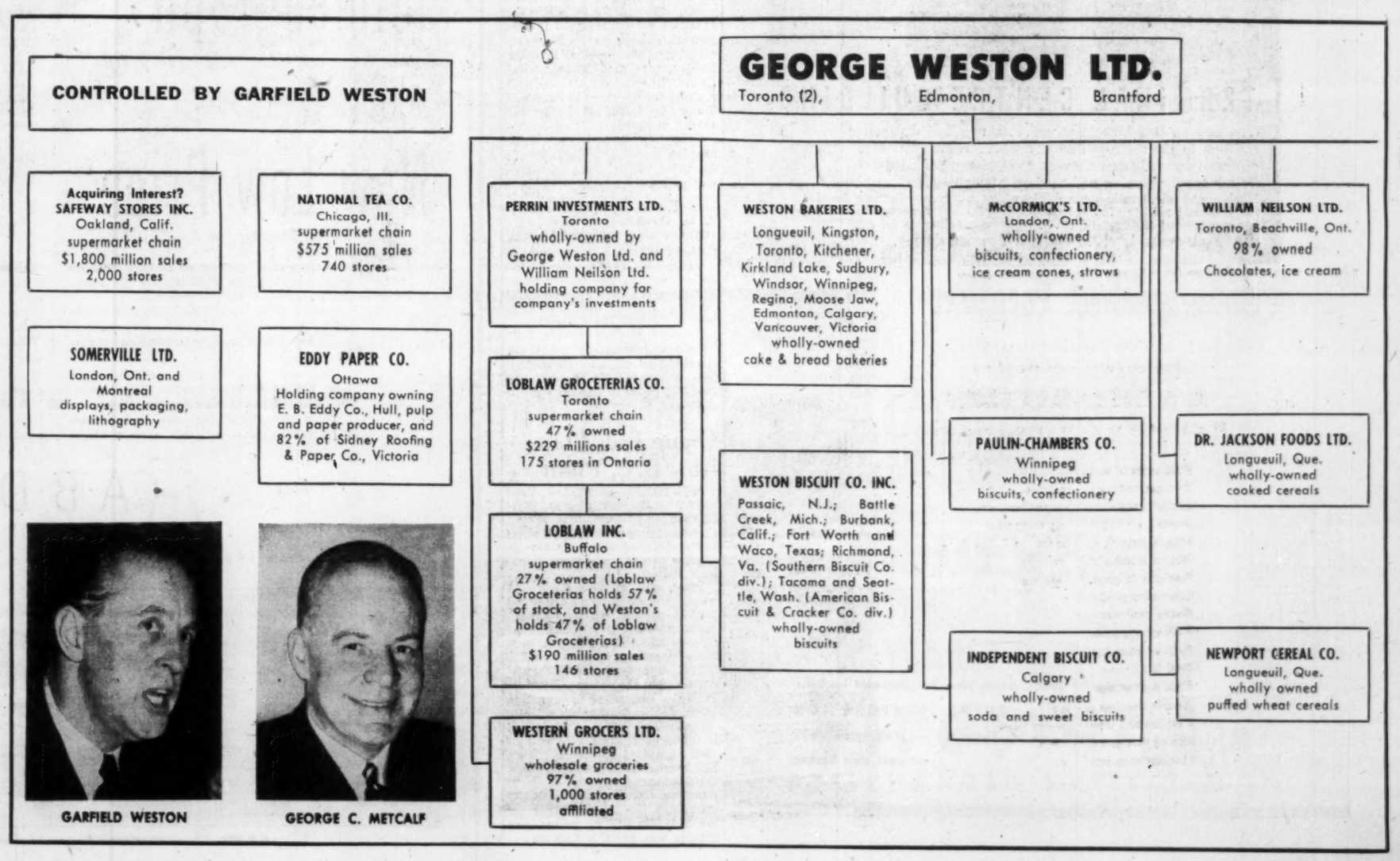

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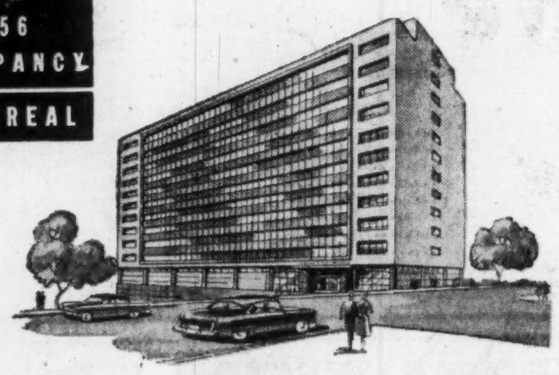

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The Horses Changed Real Estate Values

(Continued from page 21)

some $1.5 millions. Other costs, such as the expenditure required for the physical assets of the Hamilton and Niagara Falls plants have already been recouped or will be eventually.

Hamilton property, for example, was used as a 71-acre, $35-million shopping centre financed by a Taylor associated company, Canadian Equity and Development Ltd. Price paid to OJC was about $1.8 millions for the land alone. The Niagara Falls plant was valued at some $300,000 when purchased. It should have a sale value of some $500,000 now, as the city is beginning to build up around the 143 acres.

These improvements and acquisitions represent roughly a $10-million investment and 1955 profits after bond interest were some $600,000. Exact figures will not be released for some weeks as the club's fiscal year ended Oct. 31 and auditors are still working on the year-end statement.

Peg Profit on Bets

Race track profits generally are pegged on betting statistics and last year's figures showed that some $60 millions were wagered on Ontario tracks. About $3 millions of this was bet on harness races.

Of this $60-million betting pool, some $33 millions was handled by OJC tracks, Old Woodbine and Fort Erie — the balance at Orpen's Dufferin and Long Branch.

For the future: a sharp increase in betting is expected for three reasons:

—More people will attend race meetings because customer comfort has been a built-in feature in the new and revamped tracks.

—Betting facilities at the new tracks will be more elaborate and easier to reach.

—More racing days.

The expected 1% drop in the provincial tax will leave more money in the distribution pools and this move traditionally ups overall betting figures. It is interesting to note, also, that every provincial tax drop within recent years from a high of 12½% has resulted in a net tax increase to the province.

Another factor that will affect betting and Ontario racing generally, is OJC's acquisition of the Orpen interests this week.

This $4-million deal was negotiated originally by E. P. Taylor who created a vehicle called Toronto Racing Securities for that purpose. Orpen had let it be known that he was open to offers for the racing empire he controlled, but at the time OJC directors didn't feel they could digest such a large corporate mouthful. They were about to decline with regrets when Taylor offered to pick up temporarily the Orpen tab personally.

Accordingly Toronto Racing Securities exercised an option to buy the Orpen plants and charters. The deal called for an exchange of $4 millions on Dec. 1.

Last week, however, the Jockey Club board met to discuss the question again and it decided to swing the deal as a club venture. The thinking was: the club will be going to the public for new track construction financing soon . . . it would be cheaper in the long run to acquire the necessary Orpen charters now. Taylor willingly transferred his rights to the club.

Briefly, the OJC will be paying about $2 millions for charters, the other $2 millions will be recouped through sale of the physical assets.

Next Season's Races

Here's what this will mean for racing fans next year:

Only three race tracks will be in business next year. Long Branch and Dufferin are no more.

Fort Erie will open the Ontario season about mid April and operate for two or three weeks. Old Woodbine will run for three-four weeks. New Woodbine will be open for business in time for the Queen's Plate and it will be used for six weeks. The circuit then will switch back to Fort Erie for six weeks and then to Toronto. Old Woodbine will have four more weeks. New Woodbine will close the season with an additional six weeks.

It adds up to about 185 days of racing, compared to the 165 for the season recently ended. Betting figures and provincial revenues should be up accordingly. So should profits.

The economics of race track operations are such that tax revenue, betting totals, and purse aggregates are extremely important figures. Despite the sporting elements of racing, this is business. Big business.

Here are some of the indicators:

—Net provincial tax collected this year through thoroughbred racing was $3.7 millions.

—Net provincial tax collected this year through standard bred (harness) racing was $179,000.

—Purses paid horse owners totaled some $2.5 millions this year.

—Owner costs in maintaining horses was some $5 millions. "Somebody lost the difference," owner-breeder Taylor points out wryly.

—Book value of all breeding farm investment is some $5 millions.

—Average value of Ontario race horses is $2,500.

—Maintenance per horse varies from $2,500 per year to a high of $5,000; the record for one large stable in the Toronto area.

Taylor sums up the situation: "There's a lot of money at stake. It's up to us to provide good sport, good horses, plus comfort. The climate is good for racing . . . the profit will be satisfactory."

How Commission Works

Meanwhile, the Ontario Racing Commission has been playing an important role of its own during OJC's bold moves to improve the standards of racing within the province.

The Commission, headed by Toronto magistrate S. Tupper Bigelow, has been operating since 1949. Last year it held 73 meetings, part of a policy to hear anyone expressing a wish to be heard at a commission meeting.

The Commission has pioneered what it calls "clean racing" policies. Its most notable contribution was the introduction of the world's first effective public film patrol of horse races. In addition, the Commission has started and continues to administer a trust fund for jockeys who have yet to reach the age of 21. The trust fund consists of minor jockey earnings in excess of $200 per week and to date the fund has had the unanimous approval of the Jockeys' Benefit Association of Canada.

All this, of course, isn't of too much direct interest to the $2 bettor. About all he or she wants to know is: how much of the parimutuel pool is skimmed before it is split.

Right now the pool is reduced 16½%: 7% for tax, 9% for purses and administration; ½% for federal supervision. It is expected to be 15½% within the forthcoming year . . . and 14½-15% sometime in the future if the OJC's dream of a 5% provincial tax ever materializes.

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SINCE 1922, INDUSTRY'S GREATEST SOURCE OF STANDARD AND SPECIAL COMPONENTS

Nat. Hosiery Mills Offers To Buy Celtic Knitting

National Hosiery Mills, in an effort to obtain facilities for turning out seamless hosiery, has offered to buy the outstanding 27,000 Celtic Knitting Co., shares for $27 a share. If all Celtic shareholders accept the offer, National will pay out $729,000.

Prior to the announcement of 27,000 Celtic Knitting Co. shares traded at $15 but they quickly jumped to $26. The stock is closely held and seldom trades.

National plans to issue $700,000 of 4½% first-mortgage bonds maturing in six annual installments to pay for the shares, E. B. Eastburn, president, says in a letter to shareholders.

Class A shareholders of National Hosiery will consider approving the bond issue at a special meeting in Hamilton on Dec. 9.

The offer to Celtic holders extends to March 30, 1956, and may be terminated at the option of National Hosiery if 90% of the shares have not accepted by Dec. 28, 1955.

It is also planned that Celtic will issue $500,000 of 4½% first-mortgage bonds similar to the National securities to permit paying off certain obligations of Celtic and its subsidiary—Nordic Hosiery—and to acquire title to part of its Montreal plant which now is rented.

Mr. Eastburn says that Celtic has operated profitably during the past few years despite depressed conditions in the textile industry. Celtic management will continue for a minimum of five years.

National Hosiery has been operating profitably since the end of August after showing a loss after depreciation in the early months of this year. It has been running at capacity in recent months in manufacturing ladies' full-fashioned hosiery. National does not have facilities to make seamless hosiery.

Acquisition of Celtic will make available the experienced leadership and facilities to meet increasing demand for seamless hosiery, says Mr. Eastburn. National will acquire net assets with a value considerably in excess of the price being paid for the shares, he notes.

Celtic directors have recommended that shareholders accept the offer. With plant in Montreal and a subsidiary in Granby, Que., Celtic in 1954 had a profit of $45,268, equal to $1.68 a share. E. D. Gordon, president, says earnings this year will exceed those of 1954.

Under the offer Quebec transfer tax will be paid by National Hosiery and a 50c Celtic dividend payable Jan. 10 1956, will be paid to present stockholders.

National Hosiery makes full-fashioned hosiery at plants in Hamilton, Ont., and Richmond, Que. Profit in 1954 amounted to $105,809, equal to 29c per class B share.

20c Dividend By Dom. Textile

MONTREAL (Staff)—Directors of Dominion Textile Co. have declared an interim dividend of 20c per share on the common stock, payable Dec. 15, 1955 to shareholders of record Nov. 25, 1955.

Said the company:

"While net earnings, almost all of which came from investment income, were only four-fifths of 1% of value of goods shipped in the six months period (period ended Sept. 30), there is some indication of a turn for the better in the company's prospects.

"Prices have not yet been increased in any broad sense, but there have been some corrections made where heavy losses were being incurred.

"It is disturbing to note that, according to the latest Canadian Government figures, imports to Canada of cotton goods from the U. S., Japan, India, Belgium, the Netherlands, West Germany, Hong Kong, the Azores and other countries are still increasing. The company's position is in delicate balance, relative to both external and internal competition, and any increase in cost of operation could have an adverse affect on this situation."

The regular quarterly preferred dividend is payable Jan. 14, 1956 to shareholders of record Dec. 15, 1955.

Montreal U Adds Hospital Course

MONTREAL (Staff)—The University of Montreal has established a School of Hospital Administration.

The purpose is to train hospital administrators capable of managing and co-ordinating the activities of modern hospitals. It will be a two-year course, one year of academic training and one year of residence in hospitals. The course will lead to a diploma.

Crane Ltd. Plans New B. C. Plant

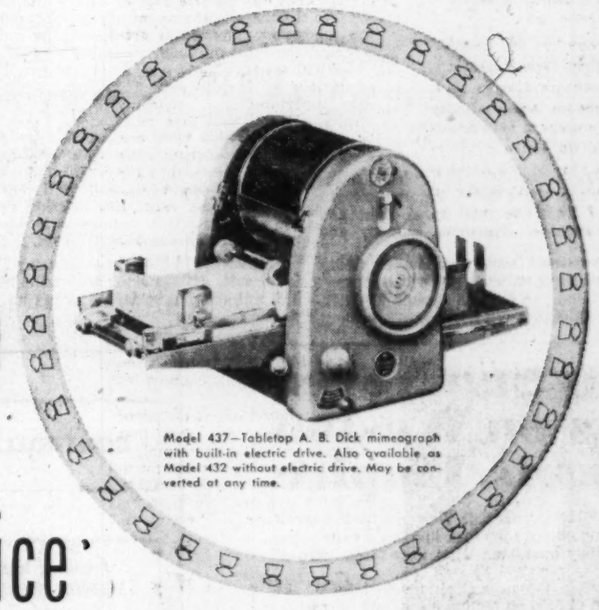
MONTREAL (Staff) — Vancouver is to get a new $2½-$3 millions pottery plant. It will be built "as soon as possible" by Crane Ltd. of Montreal for its wholly owned subsidiary Canadian Potteries Ltd.

Plant will employ about 125 people and produce an estimated 200,000 pieces vitreous china sanitary ware in a selection of colors. Materials will be purchased locally as far as possible.

The company's output will complement the present Canadian Potteries Ltd. plant in operation at St. Johns, Quebec, since 1910.

Crane Ltd. has had a branch in Vancouver since 1908 and in 1948 acquired Alliance Ware Ltd., whose Vancouver plant manufactures porcelain-on-steel plumbing fixtures, steel signs and stampings. In 1953, a plant for the manufacture of valves and fittings was built in Calgary.

A New A·B·DICK mimeograph —at a New Low Price



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IAN SMITH

Harry Thompson, President, Engineered Buildings (Canada) Ltd., announces the appointment of Ian Smith as Manager of the Industrial Sales Division of this Company in Canada. Mr. Smith was formerly Manager of Engineered Buildings (Calgary) Ltd., 1953-1955. He has twenty years experience in all types of construction.

In his new capacity Mr. Smith will be pleased to discuss Industrial Site Development with anyone interested in the prefabricated buildings' program of this organization.

This Company has a successful background of Industrial Housing, warehousing, office buildings and camp accommodation to its credit. If your company is considering Industrial Site Development or requires industrial accommodation of any type, contact Mr. Smith, Manager, Industrial Sales Division, Engineered Buildings (Canada) Ltd., Head Office, 504-4th Street E., Calgary, Alberta.

Coal Black...

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Don't be surprised if one of these days you see a coal truck go by loaded with shining stuff that certainly doesn't *look* like coal. One big coal company now sprays its anthracite with aluminum paint. Not only makes it cleaner to handle; it burns better, too.

We note, too, that aluminum is involved in another fuel operation—this time in capturing heat from the sun. An aircraft company operates a solar furnace that focuses the sun's rays by means of a 120-inch aluminum reflector to create temperatures up to 8,500 F. It is used to test materials under extreme heat.

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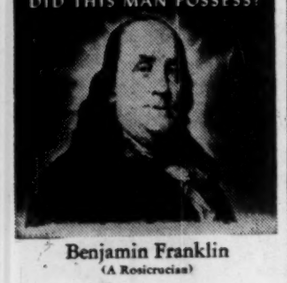

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Here's Easter Parade Preview

Couturiers Readying Big Splash for Spring

Canadians can expect to be on the receiving end of unprecedented clothing ballyhoo this spring. Designers, manufacturers and retailers are all aiming at continuing their gradual march out of a business slump that showed first signs of ending a year ago.

For women they're planning to bring back the contours again after a brief decline, are emphasizing the "costume look" and have an assortment of fabrics, colors and styles likely to put last year's wardrobe to shame. For men, it's a case of booming the "long, lean" look with lighter shades of grey, blue and brown replacing the recently popular charcoal grey. Shirts are going wild.

Fat war chests have been built up to advertise goods for sale. Magazines and newspapers report ad bookings running up to 15% ahead of last year so far for spring lines.

"Business ran ahead about 5% in 1954, and the trade is pushing hard to hold and add to these gains," one official told The Post.

Adding to general confidence that the spring will gain growing grosses is the fact that the sales rise record this fall was bigger than the spring last year and first reports for winter goods indicate it was larger still.

"There's no doubt that people are spending freely," a bank economist noted. "The amount of money in circulation, the velocity of circulation and consumer credit totals are all showing increases."

Clothing Lags

To date the clothing industries haven't been getting the big share of this extra spending. Most of the retail boom has gone to hard goods such as automobiles and appliances. The hope now is that consumers who have completed their hard goods buying will start switching to soft goods in greater numbers this spring—revamping wardrobes and adding to them.

Helping this hoped-for trend is the fact that more and more shoppers are buying more expensive clothing, yielding the retailer a greater proportional profit in his dollar volume. So far, with spring lines now introduced to the trade, first bookings for the higher-priced models are running 5%-10% ahead of last year.

Prices have been holding fairly steady with most lines at about the same level as last spring. Fashion experts consulted by The Post suggested a good and up-to-date spring outfit for a businessman's wife might cost something like this:

Suit	$85
Coat	$90
Hat	$10
Shoes	$12
Unmentionables	$25
Accessories	$25

Add to this another $20 for a spring tuneup, $15 for dinner and the evening out. Result: Roughly $282 for maintenance and additions to present plant equipment paying sustained dividends the rest of the business year . . . or at least until summer.

"Of course this doesn't allow for a woman's shopping habits," one fashion expert warned. "She's just as likely to go out and buy a hat for $2 to go with a $100 suit or a $25 hat and no new suit at all."

Your Style Guide

Here's a quick guide to medium-price range styles set for this spring:

Dresses: Cottons and cottons mixed with other fibres, many of them processed to shed wrinkles, are expected to sell well. Growing volume is forecast in synthetic fibres, including substantial promotion of CIL's Terylene fibre. Irish linens will appear on the market at budget prices.

Stronger colors scheduled include Peacock Blue, Avocado Green and a range of prints in abstract patterns and dark tapestry colors.

Prices: Little change from last season.

Shoes: Black patent leather is expected to be one of the big sellers with Panama (a beige shade) strong in the fashionable range. Pastels such as pink, blue and yellow are also popular.

Pumps and open styled sandal-type shoes in patent leather, calf, kip and vinylite have gained the biggest orders so far. Glass heels are a going gimmick in high fashion circles.

Prices: steady.

Coats: Lightweight tweed models top the list in mint green, yellows, turquoise and natural shades. Pastel shades also predominate in the wool and camel hair and wool and cashmere coats being shown. Nylon and Orlon fleece are getting the nod for short coats.

Styles will stress the "slim jim" or slim sort of tubular shape described as looking best on tall girls.

Suits: Moderate price lines continue to stress the box jacket suit in tweeds with some booking report of black and navy tunic suits in fine worsteds for dress occasions.

Lingerie: The big innovation in lingerie is the invasion of more colors into what was once traditionally white field. Long night gowns are coming back and slips are being equipped with walking slits for wear under narrow skirted dresses.

Cotton in embossed designs and synthetics of various kinds are the main fabrics.

Prices: About the same as last year.

Accessories: Double woven nylon and washable leather gloves in pastels lead the sales parade so far. Also popular are nylon string gloves introduced last year.

Black patent leather handbags to match shoes, and plastic belts, seam-free stockings, floral printed scarves and boleros are among other items expected to go well.

For the Men

For men's clothing, the big swing is to the long, lean look in suits, a style giving a trimmer silhouette than the previously fashionable loose lounge-type suits. Most of the higher priced models will be made of all-wool fabrics and worsteds. Colors are getting attention again with medium tones of grey, blue and brown being promoted to replace the popular charcoal grey of the last three years.

Topcoats are less bulky-looking and include a wide range of tweeds. For more formal topcoats, velvet collars are being used.

"There is a definite demand for lighter, almost tropical weights for this spring," one manufacturer told The Post. "Wool, wool-mohair and silk suits are all getting attention."

In addition, big sales are expected in less formal sports coat and odd trouser combinations. "People have more leisure time now," a retailer said. "They are starting to buy more colorful and comfortable clothes for their off hours—a big step up from blue jeans and old shirts but not quite in the business suit and white shirt class."

Spring promotion is already being mapped with most manufacturers planning extensive displays. In addition tie-up campaigns between shirt and accessory makers and clothing makers and with organizations such as the Wool Bureau are being planned.

Mint green, blue and new shades called Cognac and Old Gold are among the colors being promoted in men's shirts. Manufacturers forecast that this year may be the best in history for shirt sales.

Trends noted in bookings so far include open-weave fabrics and soft collars. Steadily increasing sales of sports shirts are also noted, reflecting the increase in leisure time.

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Be Happy Without Millions— "As A Consulting Engineer"

What makes a good consulting engineer? Among other things, states the Association of Consulting Engineers of Canada, he must spend a minimum of ten years working as an assistant to other engineers, obtaining the maximum possible experience.

The association recently prepared a statement for the guidance of recently graduated engineers and others contemplating entering consulting practice. It described a consulting engineer as one who derives the major part of his income from fees paid to him by clients for special engineering services rendered rather than from a salary paid by an individual or organization.

These are the highlights of the eight-point list of requirements and rewards in the profession:

—Consulting engineers are needed because they are a group best able to give their clients absolutely unbiased advice. This often means advising clients as to what materials, equipment or services they should purchase irrespective of the claims made by the manufacturers of such goods.

—To become a consulting engineer it is essential to spend a minimum of 10 years working as an assistant to other engineers and obtaining the maximum amount of experience possible. The prospective consultant must be master of the field in which he intends to practice and should always keep his ultimate goal in mind so that he is ready to seize the opportunity when it is presented.

—When starting on his own, small jobs at first may be his only opportunity for rendering service. These small jobs must be given the utmost care and attention so that his client feels that no other person could have served his purpose better. In this event small jobs soon lead to much larger ones.

—Once the consultant is established with his own business, he finds himself in a very happy position. He then has an excellent opportunity of expressing his own personality. He has independence. He is the master of his own fate and cannot be fired except by the acts of his own incompetence.

—His relationship to his client is on a different basis from that of a salaried man to his employer. His advice is often sought in helping his client make weighty decisions and the sense of his own importance is thereby increased.

—Through his contact with many varied personalities, he becomes much broader minded, whereas the salaried man may learn little outside the policies of his own company.

—He should earn a comfortable income, although he may never become a millionaire.

—The independence of initiative and personality developed will give him a far greater feeling of real security than can be obtained when he is subject to the direct control of other individuals.

Company Reports

Entertainment

MARCUS LOEW'S THEATRES LTD. net profit for the year ending Aug. 31, 1955, was $123,819, 41.5% higher than $87,503 in the previous fiscal year.

Directors state they will seek approval of a by-law decreasing the capital stock of the company to $750,000 by cancelling 3,461 unissued and 6,539 issued but subsequently redeemed $100 par value preferred shares. The $653,900 arising out of the redemption of the shares and carried on the books capital surplus will then be restored to earned surplus.

The annual and a special general meeting will be held on Dec. 9.

INCOME ACCOUNT

Periods Ended:	Aug. 31 1955	Aug. 25 1954
Net earnings	$326,177	$268,142
Less: Depreciation	22,054	24,738
G'will, etc., w/o	41,900	41,000
Tax reserve	139,304	114,830
Net profit	**$123,819**	**$87,503**
Less: Com. divds.	37,500	37,500
Surplus for year	**86,319**	**50,003**

†Company's report shows net profit of $90,628 in 1954 and $129,724 in 1955, including profit on disposal of bonds of $3,125 and $5,905, respectively.

Earnings per Share and Dividend Record:		
Common	$16.51	$11.67
Paid	4.00 + 1.00	4.00 + 1.00

CONDENSED BALANCE SHEET

As at:	Aug. 31 1955	Aug. 25 1954
Cash	$233,433	$195,583
Accts. rec.		200
Dom. bds.	835,512	671,224
Total curr. assets	**1,070,945**	**867,117**
Misc. assets	8,938	8,071
Goodwill, etc.	290,100	340,100
Fixed assets*	969,527	967,100
Total assets	**2,339,709**	**2,182,388**
Total curr. liab.	**151,114**	**96,466**
Pref. red. res.	653,900	653,900
Capital stock	750,000	750,000
Surplus	774,746	682,522
*After depr. of	1,363,147	1,281,093
Working capital	**919,831**	**770,651**

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Air Door

"During store hours, the door is always open." This open-door welcome is made possible by a new invention. An "air curtain" that keeps warm air out in summer and in during winter, becomes a daytime substitute for the front door.

* * *

For Poor Prospector

Extremely low-priced uranium detector kit contains materials needed to prospect for uranium and uses the sun's energy for power. Is said to have detected commercial uranium missed by expensive counters. Contains the necessary apparatus for appraising uranium content. Kit includes fold-up pocket-size detector and four typical uranium ores.

* * *

Surgery Shock Stopper

Special plastic coating for surgical instruments makes them safer for use in operating rooms when high frequency, high voltage electrical current is required. In many operations, particularly neurosurgery, electrical current is used, and a short circuit between instrument and tissue may have serious results. Other materials have been tried but difficulty of application, inability to withstand sterilization and other problems limit their usefulness. New coating has high dielectric strength and arc resistance, is resistant to average operating room wear, stands repeated sterilization, is flexible enough to allow instruments to be bent within limits, is fairly easy to apply and not prohibitively expensive.

* * *

One Click, Two Snaps

For use primarily in seismographs for geophysical work, there is a new linagraph paper which consists of two recording papers wound on a common core so that a duplicate record is obtained simultaneously with a single exposure. Top layer is coated on an extra thin base and its speed is slightly slower than the bottom layer. Both emulsions are balanced to give equal density traces on both records. Available in roll sizes of four to 12-inch widths and in 100-foot lengths.

* * *

Water Warning

There is now an alarm to warn houseowners when water begins to come into the basement. The inexpensive gadget consists of two switch contacts held apart by an aspirin tablet. When water touches it the tablet dissolves, the contacts meet and set off the alarm.

* * *

Labor Saving Label

Made-to-measure, vinylite card and label holder for desk trays, cabinet drawers, stock rooms etc. as well as for a number of marking jobs in the home has activated adhesive back that sticks permanently to all clean surfaces such as cork, metal, wood, glass, plastic. Is self-stick, needs no tacks, has no sharp edges, is long-wearing and won't dry, peel or fall off when properly applied.

* * *

Abusable Mercury Lamp

Line of economical mercury lamps with rugged glass bulbs that resist breakage from exposure to snow, rain and other hazards are available in 400 and 1000-watt ratings. Ideal for outdoor use in open fixtures or enclosing types which are not completely watertight. Indoors their strong bulb construction can bring improved illumination since the removal of cover plates and wire guards from reflectors will be practical in many applications. Particularly recommended for ventilated fixtures as they withstand corrosive effects of industrial fumes and damage from water splashing through reflector openings.

* * *

Door Swinger

Robot operator for swinging doors is available for vertical lift doors, vault doors, outside gates, section or one-piece overacting doors, tilt-type doors, rolling doors, two-piece opposite sliding doors, theatre stage curtains, factory skylights, television or radar antennas and many more uses. Outstanding feature is that it is completely electrical and requires no air compressors or piping and no oil cylinder or tubing. Original installation and maintenance costs are lower than pneumatic or hydraulic operators and they can be installed above, or below any type of swinging doors without the necessity of making alterations in the door or frame structure.

* * *

Remote Control TV

Complete remote control operation of closed-circuit television cameras is provided by unique "servo pan and tilt" system which includes a multi-lens camera completely controlled by a separate monitor-console. Controls in console allow three "pre-set" pan and tilt positions to be instantly selected by pushing a button or completely free flexible manual control by turning an appropriate knob. The pre-set positions may be readily changed. Different colored knobs and push-buttons distinguish identity for clear and simple operation. Remote control provides operator safety in hazardous locations, permits quick and accurate viewing of widely spaced objects and assures undetected operation in security and surveillance installations.

* * *

Collator Cost Calculator

Collating cost calculator determines the time and money savings of mechanical paper gathering over manual methods. Comparable to a simplified slide rule, it uses the number of sets and the number of sheets per set in a prospective collating assignment to instantly compute the time needed to do the job both manually and with a collator. The difference, representing the time saving, is multiplied by the operating personnel's hourly wages to show differences in costs.

Man. '56 Home Building May Top '55's $60 Millions

From Our Own Correspondent

WINNIPEG—The home building boom in Manitoba which will probably top $60 millions in 1955, most of it in Greater Winnipeg, shows no sign of recession next year. For 1956 the construction industry expects it may be on a bigger scale than ever.

This year the number of new dwelling units is about 36% ahead of 1954. For the 9-month period up to Oct. 31, 4,221 new home units were started of which 3,240 were single family dwellings. The other 981 were multiple units or apartment suites. These were 43% more than for the same period in 1954.

So far there have been no signs of a sluggish market. For the whole of 1955 construction season builders have had prospective buyers in advance for nearly every job they started. Of the 4,221 units started the first nine months of the year 3,144 were completed and ready for occupancy on Oct. 31. Only 88 were not occupied. In 1954 there were 2,605 completions at Oct. 31 and 121 unoccupied.

Building contracts the last two or three years have found it hard to get serviced land suitable for home sites. Within the city of Winnipeg, apart from scattered vacant lots, there isn't much available and none at all for any large scale housing development. In the suburbs where most of the 1955 home building has taken place, there is vacant land, a great part of it without sewer and water facilities, and no one builder willing to take the risk of installing these services.

Builders Form Company

This year the builders moved to solve this problem themselves, by organizing a separate company to act as a central land-buying agency. They incorporated Ladco Co. in February, 1955, a corporation with dominion charter, in which the main shareholders are the major building contractors, some of them engaged in large scale community developments.

To help smaller builders who individually couldn't take large stock allotments a smaller company was formed under name of Builders Investments Ltd. whose shareholders by pooling their resources were able to get a reasonable stock allotment in Ladco in the name of their own company.

Builders Investments elects three directors on Ladco's seven-member board.

Since its organization the company has acquired 2,500 acres in and around Winnipeg. On one part of its holdings in St. Boniface it is installing sewer and water facilities to service 1,300 building lots. The plans have been approved by the city of St. Boniface, the Metropolitan Town Planning Commission and are awaiting approval of the Municipal and Public Utility Board. Construction has in fact started on a few of the sites before the service facilities are completed.

The company already has enough land for between 3,000 and 4,000 homes, much of it to be made available for 1956 if it is required. In its development work it is engaging services of architects and other experts to assure proper planning of the utilities upon which housing depends.

Directors of Ladco receive applications for house sites and allocate them to its member builders. Up to this stage the scheme is a co-operative effort. After sites have been allocated they are on a competitive basis, free to build any type of house they like so long as it meets planning standards and free to negotiate their own sale price.

Canada Machinery Postpones Dec. Dividend Payment

The present management of Canada Machinery Corp., does not intend to take any action on the dividend usually payable in December, J. C. Scanlon, president, states in a letter to shareholders.

It is anticipated that management will change if the required 80% of the company's shares are deposited under an offer to buy the stock at $15 a share (The Post, Nov. 19).

Consequently it is not possible at this time to say what action may be taken on dividends after Nov. 30 when the purchase offer expires, Mr. Scanlon said.

Acceptance of the offer by the required number of shares is indicated, The Financial Post understands.

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5413

Southern U. S. Newsprint Firms Will Double Output

Special to The Financial Post

WASHINGTON — Just back from a tour of three newsprint mills in the Southern U. S., a House Commerce subcommittee predicts the suppliers will double their present capacity within two years.

New York Congressman Arthur G. Klein, subcommittee chairman, said that these additional plant facilities, together with expansion plans in other mills in the U. S. and Canada, "should help considerably in alleviating the current tight situation that exists on newsprint."

Klein admitted that his subcommittee is unable to control the price of newsprint, but he said it can encourage the growth of the industry to increase supply.

"We hope that this will result in a lowering of the price," he said.

On its one-week southern trip, the subcommittee learned that Bowaters Southern Paper Corp. will increase production from 165,000 tons to 300,000 tons per year; that Coosa River Newsprint Co. will go up from 135,000 tons to 270,000 tons per year; and that Southland Paper Mills, Inc., will increase from 130,000 to 200,000 tons per year. These three mills alone will spend about $75 million for expansion, said Klein, adding that adequate supplies of wood pulp are available to meet the planned production.

Although Klein said he was "gratified" by what he observed on his trip, he added that his subcommittee still may hold hearings during the next session of Congress on the recent newsprint price hikes. Objective of the hearings would be to learn what could be done to increase newsprint further, Klein explained.

ANNOUNCEMENT

F. A. KNIGHT — C. B. BENTON — PAUL HARTZ

Mr. Steven B. Wilson, Chairman of the Board of From Canada Limited, Stratford, Ontario, has announced the Election of the following Executive Officers of the Company: Mr. F. A. Knight, formerly Vice-President and General Manager is now President. Mr. C. B. Benton, formerly General Sales Manager is now Vice-President in Charge of Sales. Mr. Paul Hartz is Treasurer. Mr. Wilfred P. Gregory, Q.C., remains as Secretary.

Mr. Charles B. Benton has been elected to the Board. The Board of Directors of the Company now consists of T. H. Belling, Providence, R.I., C. B. Benton, Stratford, Ontario, W. P. Gregory, Q.C., Stratford, Ontario, F. A. Knight, Stratford, Ontario, H. K. Nagel, Providence, R.I., J. C. Thom, New York City, S. E. Wilkins, Providence, R.I., and S. B. Wilson, Providence, R.I.

Vancouver Bldg. Changes Hands

From Our Own Correspondent

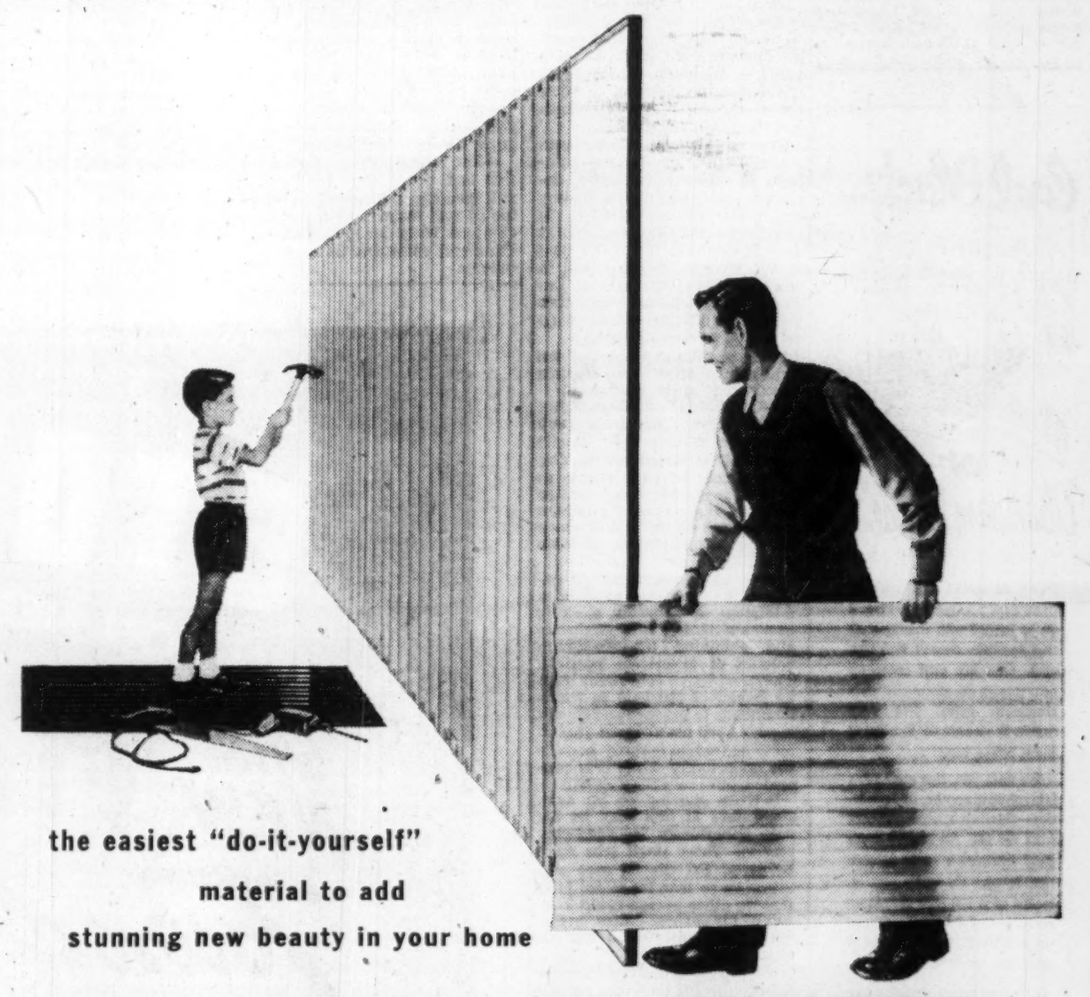
VANCOUVER — Biggest cash real estate transaction in Vancouver history was completed last week when the Standard Building in the heart of downtown Vancouver was purchased by a San Francisco syndicate for $1,800,000.

Sale of the 16-story office building owned by the Canadian Bank of Commerce was negotiated through A. E. Austin & Co. to a syndicate of prominent San Francisco investors.

The San Francisco group purchased it as an investment and no changes in operation are anticipated.

Terry Maunsell, director of A. E. Austin & Co., said the sale is the largest realty transaction ever made in Vancouver in dollar value and not involving the transfer of shares or securities.

The building is of steel and concrete construction and was built in 1912 by J. W. Weart, a well-known financier of his day.



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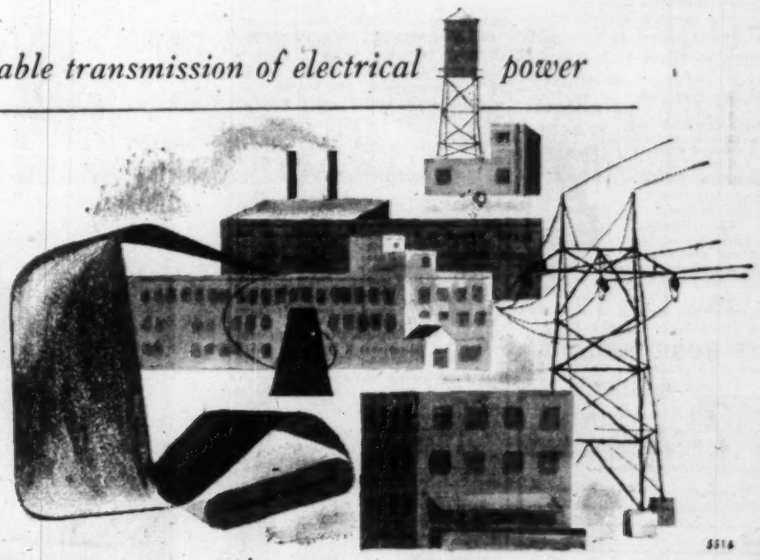

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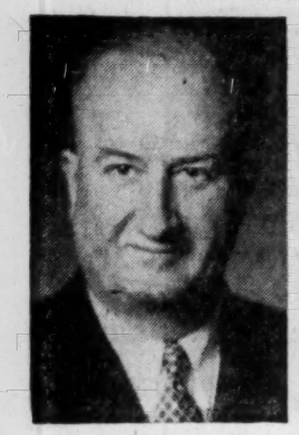
ANNOUNCEMENT

PROVINCIAL BANK APPOINTMENTS



C.-R. CHARBONNEAU

J.-LUCIEN FRÉCHETTE

The board of directors of the Provincial Bank of Canada announces the appointments of Mr. C. R. Charbonneau to the newly created post of Controller and of Mr. J. Lucien Fréchette as Chief Accountant, position previously held by Mr. Charbonneau.

He Would Quadruple U.S. Tariff On Canadian Whisky

Special To The Financial Post

WASHINGTON — A group of U. S. whisky interests are urging that the tariff on Canadian imports be hiked to $5 per gallon. They are also charging two Canadian distillers with bad faith in failing to pass on past duty reductions in the form of lower prices. Present tariff rate is $1.25 a gallon.

John Breckinridge, counsel of a group called the National Committee of U. S. Distillers, said the "big two" Canadian distillers — Seagram and Hiram Walker — were allowed tariff cuts amounting to $1.25 a gallon in 1948 and 1951 but kept 90% of all the tariff reduction. He said this represented a $10 million annual "grab" from the pockets of U. S. consumers and taxpayers.

Breckinridge levelled the accusation while testifying during GATT hearings here before the Committee for Reciprocity Information. Public hearings before the CRI and the U. S. Tariff Commission ended here a few days ago. More than 100 witnesses appeared during the nine days of hearings, most of them in opposition to including their particular products on the tariff negotiation list at Geneva next January.

"Walker never decreased its price of Canadian Club in the United States," Breckinridge said. "The Seagram company did reduce its price on VO for a period of four months early in 1948. But thereafter it raised its price so that except for this short interval the consumer in the United States received no benefit from the tariff reductions."

He said that as a result the "tariff grab by the Canadian Big Two since 1948 amounts to the staggering sum of over $50 million and it is increasing about $10 million annually."

His Arguments

The U. S. industry spokesman advanced these additional arguments as to why whisky duties are too low and should be raised:

1. Seagram and Hiram Walker have used the "windfall" of the tariff reduction for themselves, thus giving them increased funds for sales promotion "to weaken and undermine their domestic competitors in the U. S. market and increase their dominance of the U. S. market."

2. Canadian laws and regulations provide the Canadian distiller with "enormous cost and capital advantages" over its U. S. counterpart.

3. Seagram and Hiram Walker have bought U. S. whisky at "misery prices" for redistilling and blending their whiskies.

4. The two companies make only 45% of the U. S. sales but have been able to capture a greatly disproportionate percentage of U. S. profits. He said the profit figure approaches 70 to 75% of the earnings of the eleven main distillers who together do about 85% of the U. S. whisky business.

Breckinridge termed Seagram and Hiram Walker a "duopoly," saying they do 90% of the Canadian whisky business done in the U. S. and have contributed to the squeezing out of business of the small U. S. distiller. He said there were 151 registered distillers in the U. S. in 1947 but that the present number stands at 95, over a one-third decline. In addition, he complained, domestic producers have been pushed out of the U. S. premium-price market, with their share of this business dropping from 61% in 1947 to around 30% in 1954.

Breckinridge charged that Seagram and Hiram Walker increase their domination of the U. S. market by spending large sums — "financed by the tariff grab and far beyond the capacity of the U. S. competitors" — on sales promotion in the U. S.

"It is common knowledge in the U. S. industry," he said, "that Canadian brands, usually in short supply in the United States despite heavy inventories in Canada, have been used to help promote the sale in the United States of non-Canadian brands produced by the wholly-owned U. S. subsidiaries of the Big Two."

Barrel Prices

The witness' complaints about alleged cost and capital advantages enjoyed by the Canadian companies centered primarily on differences in barrel regulations. He said the U. S. requires straight and bottled-in-bond whiskies, the only domestic whiskies priced competitively with the Canadian imports, to be stored in new charred white oak barrels costing about $23. On the other hand, he continued, Canada "permits the free and repeated use of re-used barrels, costing on the average about $1 per single use."

Breckinridge complained the result was that U. S. distilleries must have "approximately 23 times more capital invested throughout the period of aging."

All told, the U. S. witness contended, the Canadian "big two" enjoy a capital advantage, at current sales rates, of $32 million annually on the whiskies they sell in the U. S. market.

Breckinridge asserted that continuation of the $1.25 tariff rate is "absurb," declaring that reductions to the present level were supposedly due to extreme shortages of U. S. aged whisky in the past. He said today there is an "extremely burdensome surplus" of domestic aged whisky and that the current low rate is "working grave injury to the U. S. industry."

"This vicious condition cries for immediate relief," he concluded.

Internal Scrap Hits at Canada

An internal fight in the U. S. distilling industry is seen here as the main reasons for charges leveled at Canadian distillers at the GATT hearings in the U. S.

The National Committee of U. S. Distillers which made the charges, is described by Canadian distillery firms as a group composed of Schenley Industries (second largest U. S. distiller — Seagrams is No. 1) and seven or eight small distillers.

Schenley, which concentrates on "straight" whiskies, has been trying to promote legislation in the U. S. to increase the time whisky can be aged without the excise tax having to be paid. The present tax must be paid after eight years, and Schenley wants the limit raised to 12 years. The rate of evaporation and "soakage" of these tax-paid whiskies is about 3% a year, and this is cutting heavily into Schenley finances because of large inventories of whiskies eight years old or more.

Seagrams, which concentrates on blended whiskies, has opposed an extension of the time for whiskies to reach taxable age. It claims the smaller distillers in the U. S. could not afford to build up the inventories of aged whiskies necessary to compete in a market in which the selling push was based on whiskies of more than eight years' aging. It says that as a member of the Distilled Spirits Institute, therefore, it has backed their view.

Seagrams, of course, in concentrating on blends, doesn't have to worry so much about large aged whisky inventories, because most blends are made of aged whiskies mixed with neutral spirits of considerably younger vintage.

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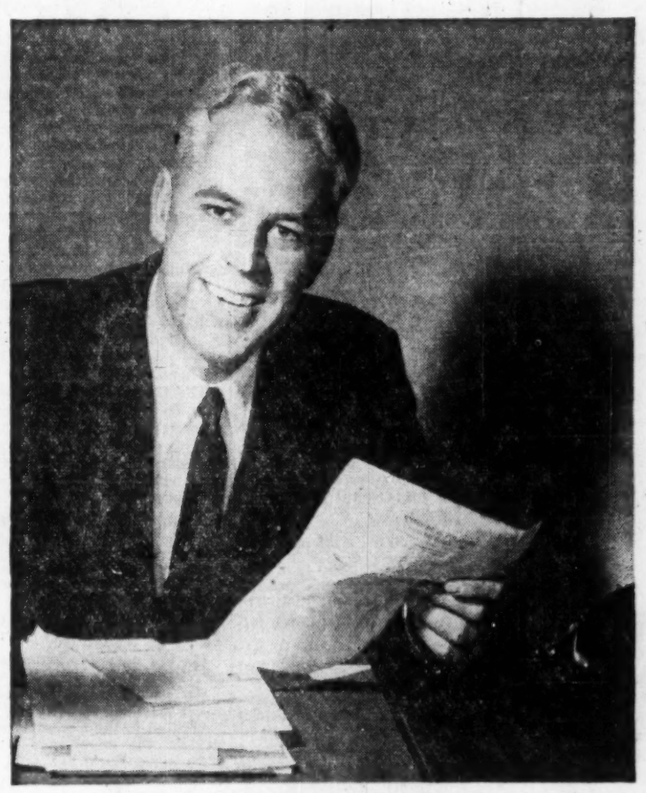
how do you rate an executive?



You probably rate an executive by his success in making the *right* decisions at the *right* time. Which lines to promote . . . which to replace. Where to intensify sales efforts . . . what means to use. And a thousand other judgments.

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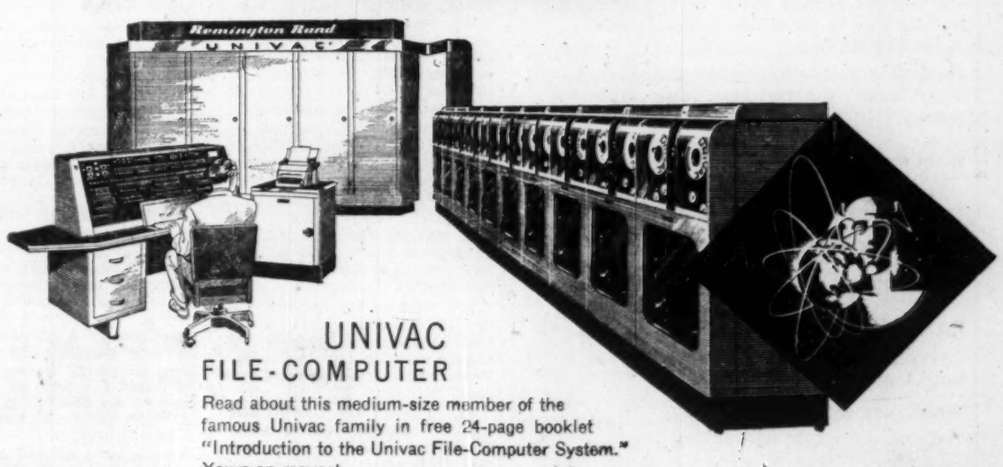

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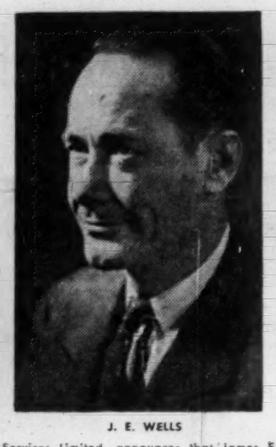

J. E. WELLS

J. A. Roberts, President of Spartan Air Services Limited, announces that James E. Wells has resigned as managing director and has been appointed Executive Vice-president. D. W. Hayworth, former Western Manager and more recently Assistant General Manager, has been appointed General Manager.

James E. Wells, a leading authority on Canadian Aviation Law, is also a director and Vice-president of Canadian Aero Service Limited and Arctic Wings Limited. He is a native of Prince Edward Island.

D. W. Hayworth, a native of Regina and graduate of the University of Saskatchewan, brings to his new position extensive operational, sales and administrative experience in the air survey business.

M. & O. Paper Plan $42 Mill. Growth

Expansion projects costing about $42 millions over the next four years are planned by Minnesota & Ontario Paper Co., Robert Faegre, executive vice-president, reports. These expenditures are almost equal to the amount spent in the last 10 years for expansion.

This year, the company is spending more than $7 millions on such projects as expansion of newsprint production at Kenora and new power facilities at Fort Frances. The 1955 expenditures bring the total spent on plant expansion since reorganization in March 1941 to $50 millions.

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How the Foothills See Their Future

Here's What the Gordon Commission Heard at Calgary

The Gordon Royal Commission on Canada's economic prospects had its files fattened in Calgary last week with briefs from a cross-section of Prairie economic interests. They heard of vast untapped oil potential, of a brighter outlook for coal, of wheat problems and prospects. Recommendations and suggestions for the future came from many areas. Here's a digest of the Calgary briefs:

From Our Own Correspondent

CALGARY—The oil and gas potential in the west, the farm outlook, municipal government, construction, the future for coal . . . these and many other social-economic aspects of Alberta's future were represented in briefs last week as the Royal Commission on economic prospects sat in Calgary. Here is what the Gordon Commission heard:

The Canadian Petroleum Association brief pointed out the steady growth of the liquid hydrocarbon reserves since December 1950. Taking the levels of growth from the 1950-54 period, the brief predicted that by 1960 the net liquid hydrocarbon (crude oid and natural gas liquids) reserves would total 4.43 billion bbls. rising successively each five-year period so that by 1980, net reserves would amount to some 10.8 billion bbls.

The brief stated there is no realistic past history on which to build a trend in attempting to forecast the net natural gas reserves. When natural gas reaches the market, the incentive factor of exploring for natural gas reserves will result in a discovery rate far in excess of any trend on the past discovery rate.

The brief cautioned that in forecasting future markets the variables such as demand, population and production have to be considered. Changes in foreign government with its accompanying import and tariff policies would affect the Canadian production of crude.

The Canadian Petroleum Association concluded its brief with the statement that the 1955 estimate of Western Canada's potential crude oil production could satisfy 80% of Canada's demand —a demand which has more than doubled since 1946.

Gulf Oil

The Canadian Gulf Oil's brief expressed optimism in estimating the probable developments in the petroleum industry in Western Canada over the next 25 years. The fact that some 900,000 sq. miles of Western Canada is potentially favorable for petroleum deposits and that only 500,000 sq. miles have been partially explored, plus the fact that only a very small percentage of this land has been actually proven barren, suggests that developmental opportunities will exist for many years to come.

Based on aforementioned statements, the Canadian Gulf Oil's brief estimates that by 1980 remaining crude oil reserves will amount to 6.9 billions of barrels. Remaining natural gas reserves by the same year is estimated at 73.0 trillions cu. ft.

On the natural gas liquid reserves, the Canadian Gulf Oil estimates 2.550 billions of barrels by 1980. The brief also pointed out that the production of sulphur is expected to increase about 60 tons per day in 1954 to over 1,700 tons per day during 1960.

Both oil briefs expressed concern on finding extensive export markets for natural gas as the reserves increase.

The Canadian Petroleum Association emphasized that if Canadian crude oil industry is to continue developing at its present rate, legislation encouraging free enterprise will be of utmost importance.

City of Calgary

Mayor D. H. Mackay in presenting the brief for the City of Calgary said that the freight rates now existing are chaotic and unrealistic. As a result of the equalized freight rate in existence, the City of Calgary has lost industry which cannot be regained due to being now located in other areas. He urged consideration toward fundamental equalization freight patterns.

He advanced the principle of one railway system in Canada and predicted it may grow rather than serve the interests of two competitive forces.

The city's brief urged a serious look into the Canadian taxation structure and to help the investor and encourage him to develop this country's industries.

Too rigid an interpretation of the B.N.A. has served to restrict the relationship between the federal, provincial and municipal levels was charged in the City's brief.

"They have used it as a shield or, as a curtain behind which they may withdraw rather than take their place on the stage of reality to develop the needs of our country," said the mayor.

The mayor urged study toward alleviating the problem of the wheat surplus. A study should be made of agricultural land to determine whether it would be economically feasible to grow crops other than wheat.

Calgary's industrial potential was presented by E. H. Parsons, Industrial Co-ordinator for the City. Among the number of factors that make Calgary's future worth considering were the industrial sites available and the markets within its immediate perimeter. Approximately 4,540 acres have been set aside by the city for industrial expansion. Its nearness to the Bow River hydro-electric potential which is capable of 600,000 hp. and of which only 268,000 have been developed, lends itself to further expansion of industries.

Housebuilders

The Calgary Housebuilders Association together with the City of Calgary pointed out that the existing provisions for financing the purchase of houses through the NHA are not meeting the requirements of the average wage earner.

Continuing in their brief, the Housebuilders Association offered a number of suggestions:

(1) An allowance of 100% of the actual cost of the local improvements should be added to the mortgage advance rather than to the existing figure of 70% of the average cost of the average utilities.

(2) The abolition of the 2% mortgage insurance premium deducted from mortgage proceeds.

(3) The present regulations and procedure established by the Central Mortgage and Housing Corporation be amended and altered to encourage the construction of low cost houses.

As to the future trend, the Housebuilders group's brief stated the building trend is developing toward a system of factory production methods resulting in saving of time and material.

Both the City of Calgary and the Coal Operators' Association of Western Canada urged in their briefs that long-range planning be given to the "Coal" resources of Alberta. Calgary, it was stated, is surrounded by both developed and undeveloped coal resources of considerable magnitude.

Coal Operators

The Coal Operators Association of Western Canada were aware of the declining totals of production and consumption of coal. Despite this decline, the Operators feel that coal offers a brighter picture because of the very size of reserves in comparison with those of other fuels. They pointed out that as time goes on other fuels are likely to increase in cost because of scarcity, while coal offers far greater possibilities of becoming a cheaper fuel by reason of improved mining techniques, more efficient utilization and of greater possibilities of entirely new uses.

The operators estimated that by 1960 the energy requirements will be 3,000,000 Btus. and the estimated coal production by the same year will amount to 5,100,000 tons.

The Operators' brief cited specific factors which will improve markets for western coal in the future: the use of thermal power by coal; metallurgical coal and coke; other industrial uses in which coal is used such as in cement, aluminum, fertilizers and chemicals; commercial and domestic heating.

The Coal Operators made a number of recommendations in their brief. Among them:

(1) that an Energy Control Board be established, and

(2) the need for expanded research programs.

Six groups representing various phases of agriculture were submitted to the Commission. All stressed the importance of Canada's agricultural economy.

United Grain

The United Grain Growers Limited, the oldest farmers' co-operative grain handling company in Western Canada, in its brief, pointed out the nature of the grain industry essentially produces for export. Consequently it is affected by international movements, by a balance of trade and governmental policies of other countries.

J. E. Brownlee, Q.C., its president, expressed concern over subsidizing dumping as practiced by the United States and France.

"They are now attempting to force into export markets, under subsidies very costly to the National Treasury, a wheat surplus which may amount to 90 million bushels annually," he said. The brief called this form of export "economic madness." It is bound to affect international trade and thus hurt Canada.

Farmers have not lost hope in the International Wheat Agreement and may yet develop it into a useful instrument for trade, it was stated.

The UGG president offered a concrete proposal for speeding up the disposals of wheat surplus in both Canada and the United States. He suggested a massive program be conducted in both countries to encourage feeding to livestock and poultry in large quantities of feed and grain, particularly low-grade wheat, not desirable for milling.

If such a program in the various countries were made to publicize and promote the use of wheat for feeding, hundreds of millions of bushels of low-grade wheat, that now clog our elevators, would make room for higher quality grain.

Mr. Brownlee expressed optimism on the grain export situation and said that the rapidly increasing population will place an increasing pressure on the world's food resources.

Wheat Pool

Alberta Wheat Pool, under its Chairman Ben S. Plumer, pointed out in its brief the importance the western farmer has played as an exporter. To a large degree it helped in the industrialization of the East and the increase in population there.

Mr. Plumer predicted that the near future will see more wheat marketed than in the past but its production will be by fewer farmers. He stressed the need for conservation. He said during the next 50 years the Prairie grain growing areas will demand protection if the West is to avoid dust bowl conditions on the great expanse of open prairies extending from the Rockies to the Great Lakes.

Burns & Co.

In another brief presented by Burns & Co. Ltd., Reginald S. Munn, president, restated Mr. Brownlee's suggestion for easing the wheat surplus

"In the past," he said, "livestock production has varied in volumes depending to some extent upon the market for grain. The diversion of more grain and feed to livestock production is a partial answer to the present grain marketing problem."

The greater number of cattle is sold for home consumption and prospects for greater per capita consumption are good.

Turning to the future of the meat industry, the brief listed a number of factors:

(1) Can production keep up with the requirements if further developments in scientific breeding and feeding continues?

(2) Recourse to markets — at the present time the U.S. appears to be the only important export market in the foreseeable future. Livestock and meat prices in Canada are well above the level of the world prices and as this situation continues, various markets for meats—except under war conditions—appear to be a thing of the past.

(3) Processing costs — greater standardization of product would help to minimize increasing operating costs.

Agrologists

The Alberta Institute of Agrologists, in another brief, confined itself to six short topics. They urged that an integration of industry with agriculture would be most desirable as many mechanization processes are involved before the goods of the farm reach the consumer. With respect to irrigation, the brief urged the need for adequate consideration of the type of farming to be undertaken.

Fogelvik Farms of Innisfail, Alta., urged a more scientific approach to marketing. One of the suggestions was that the farmer be paid according to the protein content of his wheat.

Cardston and District Sheepmen's Association in Alberta completed the briefs on agriculture presented to the Commission. They were concerned with the fact that New Zealand dressed lamb on the local market was putting the Canadian sheep rancher at a disadvantage. The group also urged that duties be levied on wool imports so that the Canadian wool grower would net better returns on his produce.

Metal Workers

The Edmonton and Calgary Metal workers IUMM & S.W. (Canada) brief was presented through its Alberta representative C. Weir. The brief confined itself toward urging the Commission to make a study of Canada's metal development and resources in general.

Lawrence E. Kindt, economist in Calgary, and Dr. G. L. Burton, ex-McGill University professor, and a Claresholm Alberta rancher gave verbal briefs before the Commission.

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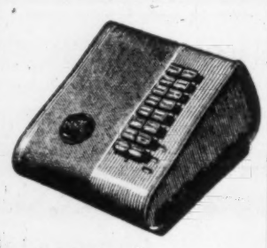

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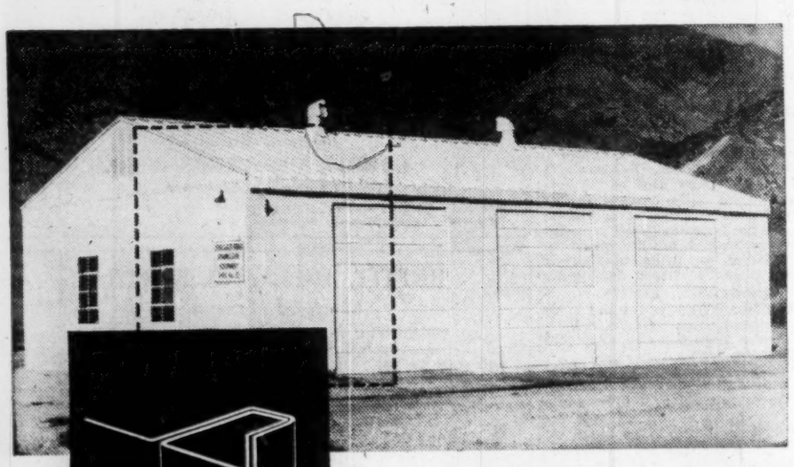

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4. **EASIER AND QUICKER TO ERECT**—with skilled or unskilled labour—because of the simple exclusive STEELOX joint construction.
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THE INVESTMENT FUNDS

Investors Mutual Assets Rise 41% in Half Year

Investors Mutual of Canada Ltd. total net assets rose approximately $24 millions or 41% in the six months ended Sept. 30, 1955, to $82,586,158 from $58,577,085 at March 31, 1955.

In its holdings of government securities Investors Mutual reduced Canada 3% bonds by $400,000 and invested $500,000 in treasury bills.

Investors Mutual added six companies to its holdings of corporate bonds: Algom Uranium Mines 5%, Campbell Chibougamau Mines 5%, Canadian Petrofina 4%, Del Rio Producers 5½%, Hudson's Bay Oil & Gas 4%, and Industrial Acceptance. It also reduced its holding of Provincial Transport 4¼%.

Changes in the holdings of preferred stocks included the addition of B.C. Electric 4¼% and Canada Safeway 4.40%, increases in Bathurst Power & Paper A and B.C. Electric 4½%, and a reduction in Canadian Breweries $1.25.

There were increases in all categories of common stocks except the agricultural machinery and textile sections where there were no changes and in the rail and rail equipment section where the company reduced its holding of Canadian Bronze.

Changes in the holdings of common stocks included the addition of Anglo-Canadian Pulp & Paper Mills, Calgary Power, Gunnar Mines, Mining Corp. and Molson's Brewery A; and the elimination of Brazilian Traction and Steep Rock Iron Mines.

The total assets were invested 5.28% in bonds at Sept. 30 compared to 3.05% at March 31, 11.76% (13.64%) in preferreds, 81.99% (82.69%) in commons, and 0.97% (0.62%) in cash etc.

Here is a list of the changes during the six months ended Sept. 30:

Bonds	Amount held at Sept. 30 1955	Change since Mar. 31 1955
	$	$
Govt. of Can. 3%	1,300,000	—400,000
Do. treas. bills	300,000	+300,000
Algom Uran. 5%	200,000	+200,000
Cdn. Petrofina 4%	150,000	+150,000
Del Rio Prod. 5½%	100,000	+100,000
Hudson Bay O & G 4%	300,000	+300,000
Ind. Accept.	1,500,000	+1,500,000
Prov. Transport 4¼%	10,000	—10,000
Campbell Ch. Mines 5%	249,668	+249,668

Preferred Stock	Shares	Change
Bathurst P & P A	9,290	+525
B.C. Electric 4½%	13,630	+13,630
Do. 4½%	6,475	+50
Can. Safeway 4.40%	7,195	+7,195
Cdn. Brew. $1.25	14,185	—2,065

Common Stock		
Ford Motor	9,260	+2,885
Bank of Montreal	32,632	+3,720
Cdn. Bk. of Comm.	59,871	+8,714
Imp. Bank	24,063	*+7,218
Royal Bank	37,358	+6,395
Toronto-Dom. Bk.	26,198	+1,000
Aluminium Ltd.	25,887	+2,100
Gunnar Mines	4,900	+4,900
Int. Nickel	38,635	+3,745
Mining Corp.	1,600	+1,600
Noranda Mines	20,085	+11,985
Quemont Mining	10,400	+2,700
Steep Rock Iron	.....	—9,600
Asbestos Corp.	15,350	+500
Building Pdts.	16,325	+5,090
Can. Cement	13,965	+4,100
Cdn. Breweries	26,775	+4,050
Distillers Seagrams	27,940	+5,550
Molson's Brew. A	21,795	+21,795
H. Walker-G & W	14,285	+700
Industrial Accept.	27,465	+6,300
Traders Finance A	17,774*	+6,200
Dom. Stores	435,612	+12,522
Hudson's Bay	22,438	+20,500
Henry Morgan	6,075	+375
Imp. Tobacco	6,775	+2,000
Southam Co.	6,950	+1,065
B. A. Oil	39,878	—7,320
Imp. Oil	45,835	+8,050
McColl-Front. Oil	33,555	+5,555
Trans Mountain P L	5,075	+1,000
Bell Telephone	41,039	†+17,504
Brazilian Traction	.....	—3,639
B. C. Power	52,725	+5,975
Calgary Power	29,805	+29,805
Gatineau Power	29,725	+7,375
Shawinigan W & P	23,430	+3,175
Abitibi P & P	42,480	+8,100
Anglo-Cdn P & P	2,475	+2,475
Cons. Paper	38,275	+22,000
Fraser Cos.	29,665	+4,400
Hinde & Dauch Pap.	12,525	+2,765
MacMil. & Blo. B	37,440	+2,725
Powell River	33,070	+2,000
Price Bros.	20,125	+3,000
Cdn. Bronze	5,175	—1,450
Can. Iron F'dries	10,600	—875
Dom. Bridge	29,100	+2,650
Dom. Eng. Wks.	4,860	—300
Dom. F'dries & Stl.	42,274	+1,200
Steel Co.	24,420	+2,875
Westeel Pdts.	9,400	—2,000

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C. Collieries Reduces Loss

Coleman Collieries Ltd. had a loss of $45,687 in the quarter ended Sept. 30, an improvement from a loss of $91,813 in the same period last year. With coal sales down 25%, the improvement reflects a drop in depreciation and losses on disposals of plant and equipment to $67,910 from $134,880 in the 1954 quarter.

A letter to shareholders says the management believes cash position permits payment of interest on new first mortgage bonds on Jan. 1, 1956 but no earnings are available for interest on new income bonds under the company's reorganization plan.

(Coleman bondholders approved a reorganization of funded debt into two classes of bonds. Legal action has been instituted in Alberta, contending that the meeting approving the reorganization was invalidly called.)

"If the final determination of the law suit . . . is not made before Dec. 15, the interest payment on the new first mortgage bonds provided for by the scheme of reorganization cannot be made on Jan. 1, 1956," Roy Upton, secretary, says in the letter.

The Alberta action is still pending. Rulings are awaited regarding an examination for discovery held recently, it is understood.

CONSOL. INCOME STATEMENT

	6 mos. ended June 30 1955	3 mos. ended Sept. 30 1955
Cons. oper. profit	$313,781	$130,061
Add. Misc. earn.	7,080	9,148
Less: Exec. sals.	26,538	14,112
Directors' fees	.....	.....
Clos. down Hillcrest Mine	1,155	1,752
Exploration	370	220
Royalties	19,458	9,528
Deprec: losses on disposal of plant & equip.	494,513	67,910
Prof. (loss) before bd. interest	221,193	45,688
Less: Bd. int. pd.	.....	.....
Bond int. to be canceled under reorg. plan	91,375	45,687
Bond int. accr. on basis of reorg.	91,375	45,688
Net prof. (loss)	403,943	45,687

St. Regis Buys U.S. Interest

St. Regis Paper Corp. of New York, which has operations in several parts of Canada, has acquired about a 40% interest in Grower's Container Corp. of Salinas, Cal.

St. Regis has acquired for cash approximately 40% of the authorized but unissued stock of Grower's Container, the two companies announce.

It is expected that the California firm will use the sale proceeds for expansion plans.

Growers' sales are currently running at $6.5 millions annually. It employs about 150 people in the fibre box and flexible packing divisions of its plant at Salinas.

Growers' market area consists of California, Arizona, and Texas. The company was incorporated in 1954.

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WELDING
writes another page in Naval History

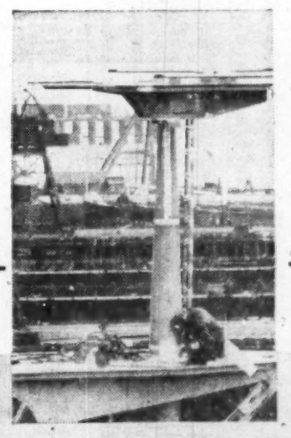
Swift greyhounds of the sea, sleek and powerful, Canada's new destroyer-escort vessels, headed by H. M. C. S. "St. Laurent," are a proud tribute not only to Canadian designers and shipbuilders, but to welding science and skill as well.

From truck to keel, and stem to stern, welding is playing its vital part in translating the blueprints of these wonder ships into formidable yet graceful reality.

Of particular interest is the use of Aircomatic welding and Argowelding (inert gas-shielded arc welding processes) on the aluminum superstructure and other parts. These processes, already widely used in other industries, make possible the fast, easy, assembly of aluminum and stainless steel, producing strong, clean welds requiring no after-cleaning or other treatment.

If you fabricate metals, particularly non-ferrous metals, it would be to your advantage to investigate the economy and efficiency of the inert gas-shielded arc welding processes — ARGOWELDING and AIRCOMATIC welding.

Welder using Aircomatic process on mast of a destroyer-escort at Burrard Dry Dock, Vancouver, B.C.



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Destroyer-escort H.M.C.S. "St. Laurent," first of 14 all-Canadian vessels of this type to be commissioned, pictured during her trials. Built at Canadian Vickers, Montreal. (National Defense Photo.)

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Chartered Accountants
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SHERBROOKE, THREE RIVERS

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Chartered Accountants
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NORTH BAY • SAULT STE. MARIE

GUNN, ROBERTS AND Co.
Chartered Accountants
36 TORONTO ST. TORONTO

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Chartered Accountants
Established 1889
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Representatives at WINNIPEG, CALGARY, EDMONTON, VANCOUVER
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ALDRED BUILDING
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C. S. BOND, B.A., C.A.
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Robert Leith
Chartered Accountants
London Agent: Reads, Cooke & Watson, Leith House, 47 Gresham St., London, E.C.2
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GROWTH STOCKS

"Selected Growth Stocks" in The Financial Post is widely acclaimed. It features 26 stocks selected for unusual growth possibilities. Read this exclusive Post feature regularly. Yearly by mail in Canada, $6; elsewhere $7 yearly.

Market Bid and Ask Quotations

Montreal & Toronto

Closing Quotations Nov. 29

	Bid	Ask
Abitibi	34½	34¾
Do pr	35¼	36
Acad-Atl	11	11¼
Do A	23½	23¾
Do pr	105¼	..
xAcad Ur	14	14½
xAcme G	18½	20
Adm Corp	21½	21¾
Agnew-S	8	8
Do pr	10	10½
xAjax	73	74
xAkaitcho	58½	62
xAlba Exp	73	74
xAlberm't	75	82
Do wts	20½	24
xAlta Dis	200	210
Do VT	170	175
xAP Cons	30	..
Algom	17½	17¾
Do deb	..	98
Do wts	815	975
Algoma	38	38½
Alumin'm	107½	108
Do 1 pr	25	25¼
Do 2 p	104.45	104½
xAm-Lard	16	17¾
Amanda	30	31
xAm Led	102	103
xA Nephe	155	160
xAmurex	660	710
xAnacon	310	315
xAnchor	7¼	8
A-Am Exp	14¾	14¾
xAng Cdn	535	545
AC Pulp p	53	53¼
Ang Hur	12¾	14
xA Rouyn	146	148
Anthes Im	23½	24
xApex Res	18	18½
xArcan	50	70
xArea	52	57
Argus	23½	23¾
Do pr	56½	57
Do 2 pr	56¼	57
xArjon	11	13
xAscot	42	44
Ashd'wn A	13	..
Do B	13	13¼
Atlan Acc	6¼	7
Do pr	16	18
Atlas Steel	17¼	17¾
xAtlas Yk	13	15
xAtlin-Ruf	15	17
xAubelle	8¼	8¾
xAumacho	33	36
xAumaque	15	16
xAunor	235	240
Auto Elec	10¼	10¾
Do pr	9¾	..
xAut Fab A	5	5¼
Do B	100	140
xAvillabona	8¾	9
xBagamac	10	11
xBall S A	990	1000
xBanff	180	185
xBankeno	30¼	31
xBankfield	10½	12
Bnk Mont	47	47¾
Bank NS	58	58½
Barb-Ellis	36	..
Do pr	19¼	..
Barcelona	9½	11¼
xBarnat	100	102
xBarvue	148	150
Do warr	17	18
xBarymin	..	255
xBase Met	74	75
xBaska	31	32
xBata	14	16
Ba & In	9½	11¾
xBath M	193	194
xBath A w	16	20
Do B wts	55	60
Bath Pw A	60½	62
Do B	43	45
xB-Duq	126	129
Beatty	7¼	7¾
xBeaucag	231	250
xBeav Lge	43	45
Beav Lumb	20¼	21
Do A	22	..
Do pr	33	35
xBelcher	105	107
Bell Phone	49½	50
xBellet're	220	230
xBerens	90	100
xBeta G	13	13½
xBevcon	52	55
xBibis	10½	11
xBicroft	250	255
xBidgood	12½	13
Biltmore	6¼	7¾
Do pr	13	14½
xBlack B	110	120
Blue Rib	400	..
Do pr	32¼	32½
xBlue Rk	298	300
xBobjo	43	44
xBonville	12	13
xBordulac	8¢	9¢
xB'cadillac	31	34
Bowes	18	..
xBoymar	9	9¼
xBralorne	555	570
xBralsm'n	118	120
Br Cord A	15¼	16½
Do B	10	12
Brazil	6¢	6¢
Do pr	90	96
Br & Tic p	49¼	50
x Do wts	300	300
Bright	16½	20
Do pr	21½	21¾
xBrilund	178	179
xBritalta	231	245
BA Oil	30¼	30¾
BC El 4½ p	97	98
Do 4½	49¾	49¾
Do 4½ p	50¼	51
Do 4½	105	106
Do 5½ p	54	54¾
BC Forest	15¾	15¾
BC Pack A	16¼	16¾
Do B	14¼	14¾
BC Pow	34	34¼
BC Phone	49¼	49¾
xBroul R	168	170
Bruck A	13	15
x Do B	5	5¾
xBrunhurst	9½	11
xBrunsm'n	11	12
xBrunston	41	43
Brunswick	12	12½
xBuckles	39	40
xBuffadison	8	9
xBuff Ank	67	69
xBuff Cdn	15	16
xBuff RL	7	8
Build Pro	38	39
xBulldog	15	16
xBunker H	13	1 4
Burlington	30¼	31
Burns & C	12	12½
Burrard A	8¼	9
xCalalta P	68	70
Caldwell	..	14½
Do 1 pr	22	24
Do 2 pr	12¼	13
Cal & Ed	17½	18
Cal Pow 5% pr	106	..
xCallinan	25	26½
xCalnorth	16	17
xCalcon C	550	565
Camp Chib	14¢	15
xC'mp RL	660	695
xC. Bread	415	415
Do B	56	64
Can Cem	36¼	37
Do pr	29¾	30½
C Cr & C St	9	9¼
Can Foils	13¼	15
Do A	16	16
C Fndry A	25	28½
Do	..	26
C I Fndry	32¢	33½
Can Life	155	174
Can Mach	14½	15½
Can Sal	75½	76
Can N Pw	14	14½
xC Oil L	230	240
Do wts	125	130
C Pack A	37½	38
Do B	33½	34
C Per Mor	90¼	92
C Safeway 4½ pr	102	102
xC S Oil w	60	65
xCan S P	192	197
C Steam n	32½	35½
Do pr n	13¼	13½
C Wire A	140	..
Do B	75	77
xC Ad Oil	57	63
xC Astoria	33	35
xC At Oil	665	670
C Bk Com	43¼	44½
Cdn Brew	30¼	30½
Do pr	30¼	30½
xC Br Em	59	62
Cdn Can	35¼	35½
Can Car	29¾	..
Cdn Car	29½	30
Cdn Celan	22½	22¾
Do $1 pr	22	..
Do 1.75 p	36¼	38½
C Chem Cel	91	91¾
C Coll'ries	13½	13¾
xC Decalta	70	72½
Do warr	40	43
xC Dev P	262	268
C D'dge n	21	21½
C Fairb'ks	22	22½
Do pr	125	..
xC F Pro	330	335
Do A	8	8
Do pr	60	64
C GE	755	1100
CG Sec A n	23	26
Do B n	25½	..
xC H'st'd	230	235
Cdn Hyd C	7¼	7¾
xC Ice M	5	6
Do A	12	12½
Cdn Loco	21	25½
xC Malart	38½	40
Cdn Oil	19½	20¼
De pr	170	180
Do 5%	106¼	..
Do 4%	94	99
Do wts	7¼	7¾
xC O&G R	59	60
CPR	32¼	32½
C Petrof p	24½	25
xC PL Pet	305	310
C Prosp	430	450
Cdn Salt	16	18
Cdn Tire	90	93
Do pr	20½	..
C Util pr	104	104½
C Vickers	30¢	31½
C Wall A	..	11½
Do B	10¢	11
Cdn W Nat Gas pr	18½	19
xC Willis	258	280
xCan-Met	260	265
xC'so N G	120	130
xCanso O	210	..
xCariboo	68	75
xCassiar	770	795
xCastle	375	400
C Can Inv	26½	..
Do pr	100¼	..
xCent Ex	595	610
xCen Led	212	220
xCent Pat	86½	90
xCent Porc	17	18
xCentremaq	8¢	9
xChamb'n	34¼	35
xChart O	190	195
Chart Tr	33	..
xChatco'	415	425
Do pr	6	6¢
Chat-Gai	18¢	18¼
xCh Res	420	425
xCheskirk	7¼	8
xChes'ville	39	40
xCh-Kay	83¼	84
xChib Ex	101	104
xChimo	127	130
xChrom	199	225
Chrysler	94¢	95¢
xCircle B	..	300
Do A	425	450
xCobalt	80	85
xCoch Wil	77	82
Coch-D	20	..
Do A	19½	20
Cockshutt	7	7¼
xCody-Rec	72	75
xCoin L	12	14
xColdstr'm	66	69
Coll'w'd p	12¢	..
xColomac	8	9¢
Comb Ent	9¼	10
xCom oil	300	340
xCom Pet	425	450
Conduits	10¼	11
Conf Life	..	195
xConiagas	295	299
xConl'rum	64	65
xConro	36	37
xC Allenb	16	18
Con Baks	10	10¼
xC Bellek	28	29
xC Cad	11	12
xC Cordas	30	32
xC Denis	980	985
Do wts	360	365
xC Discov	340	360
xC Dragon	40	42
xC East Cr	75	80
xC Fenim	165	174
Do B wts	11	14
xCon Fire	6¼	..
xC Gillies	10¼	14
xCG Ar'ow	44	45
xC Guay'a	36	39
xC H'well	42	45
xC Howey	415	420
xC Marben	45	50
xC Mic M	265	274
Con Smelt	36¢	37
xC Morris	43	45
xC Mosher	77	78
xC Negus	35½	38
xC Nichol	32	34
xC N'land	121	122
xCon Orlac	14	14½
xC Peak	12	12½
xC P'court	30½	35
xC Pr'ss A	230	260
Do B	100	200
xCons Que	61	80
xC R Pop	54	57
C San'tre	11	13½
xC Sud'y	470	475
Cons Text	6¼	6¢
xCon Thor	44	45
xC Tungs	52	53
xC W Pet	550	570
Cons Glass	32	33
Con' Gas	23	23¼
Cont Can	78½	79½
xConwest	610	625
xCop Clif	273	274
xCop Cor	128	133
xCop-Man	18	19
Corby Vot	17¼	17¾
Do B	16	17¼
Cosmos	12¼	13
xCoulee	112	115
xCournor	15	17½
xCraig Bit	7	7¼
xCrest'rum	8	9
xCrois'or	32	34¢
Crn Cork	36	54¢
Crown Tr	26	26
Crwn Zell	54¢	55
xCrowpat	42	49
Crow's N	136	140
xCusco	14	15
xD'Aragon	28	31
D Leath A	10¼	10½
xDavis B	325	340
xDe C Br	86	90
Do wts	26	30
xDeer H	50	75
xD'Eldona	15½	16
xDelnite	74½	78
xDel Rio	152	155
xDesm't M	56	58
xDetta	16	17
xDev-Led	154	155
Dist Seag	39¼	40¼
xDome E	560	575
Dome	14¼	14¾
Dom Ang	355	..
Do pr	100	..
xD Asbes	15	17
D Coal pr	7¼	7¾
D Corset C	11	12¼
D Dairies	8¢	..
Do pr	16	19
xDiadem	48	49
xDom Elect	7	7¢
Dom Fab	9¢	..
Do 2 pr	23	..
D Fndry	29	29¢
Do pr	104¼	104¾
Dom Ins	175	..
D Magnes	20	20¼
Dom Scot	28¼	30
Do pr	51	52
D Steel o	18	18¼
D Stores	33¢	34
Dom Tar	23	24¼
Do pr	23	24¼
Dom Text	8¼	8¢
xD Wool	150	225
xDonalda	38¼	39
xD & M A	80	..
Do A	150	..
D'hue Bros	31	31¼
Dow Brew	31	31¼
xDuvan	43	45
xDuvex	19¼	20¼
xDyno	101	104
xE Amphi	9¼	10
E Koot	300	350
xE Malart	227	230
E Sull	610	620
xE Metals	88	89
xE Smelt	680	690
East Steel	5¢	6¢
Easy Wash	20	20¢
Econ Inv	36¢	38
Eddy	65¼	66
xElder	56	60
xEldrich	81	85
xElec Inv (Can)	98	..
Electrolux	15	15¼
xEl Pen-R	7¼	8
xEl Sol	8¢	10
xEm Glac	28	29
Emp Life	72	73
En & Heat	9¢	12
Equit Life	51	51
Erie A	6¢	9¢
Do B	230	..
Estab'ks p	221	221
xEureka	166	167
Do war	65	73
Falconb'ge	27¼	28¼
Fam Play	22¾	22¾
Fanny F	25¼	25¾
xFaraday	186	188
Fargo	230	232
xF'west T	30	31
Fed Fire	33½	40
Fed Grain	30¢	37¢
Do pr	30	30¼
xFed Kirk	22½	23
xFed Pete	410	420
xFibre	5	7
Do pr	5	5
Fittings	225	550
Do A	9½	11
Flash F pr	10	14
xFleet Mf	145	150
Ford A	142	142
Do B	142	..
Foun'tien	25	26
xFrancoeur	7½	7¾
Fraser	33½	33¾
Freiman p	93½	94
xFrobisher	435	445
Do debs	93½	96
x Do wts	56	65
xGaitwin	50	51
Gatineau	30¢	31½
Do 5% p	111	114
Do 5½ p	111½	116
Geco Mine	16¢	17
Gen Bake	7½	7¾
G Dynam	63¢	64
G Motor n	48¼	48¾
xGen Pet	485	..
Do A	480	490
GP Mfg A	41	41½
Do B	43	..
G Stk Wares	9	10¼
Do pr	100	101
xGeneva	12¼	13
xG'nt YK	580	590
xGlenn U	133	135
xGod's L	58	59
xGoldale	33	36
xGoldcrest	31	32
xG Eagle	8	8½
xG Man	355	360
xGF Uran	40	45
xGoldh'wk	25½	26
xGoldora	14	14¢
Goodyear	146	152
Do pr	32¢	32¢
G Mack A	7½	7¾
Do B	7¢	7¢
Goulds P	..	18
Grafton A	14¢	15½
xGr Bousq	28½	30
Gr & Toy	31½	40
xGrandine	22	23
xGrandoro	43	..
xGranduc	650	700
GL Paper	41	41¾
GN Gas	6¼	7
Do pr	46½	47
x Do wts	315	360
G Plains D	25¼	26
xG Sw Gr	370	375
GW Coal A	9¢	10
Do B	8¢	9
Gr West	19	19
xGreen's	450	475
xGridoil	830	850
Guar Tr	20	21
xGulch	145	150
xGulf Lead	8¢	10
Gulf Oil	85¢	85¢
Gunnar	19½	19¾
Do wts	11¾	11¾
xGurney	480	700
Do pr	25	27
xGwillim	10	12
Gypsum	60½	61¼
Hahn	21	25
xHallnor	325	340
H Cotton	16	16½
Hrd Carp	8¢	8¢
xHrd Rock	12	12½
xHar-Min	125	127
Hartz A	10¢	..
xHasaga	18	20
xH of L	14	14¾
xHeadw'y	110	115
xHeath	7½	8
xHees GH	375	400
Hend'shot	27	27¢
Do pr	89	101
xHeva	5¾	6
xH Crest	20½	21
xHigh-Bell	59	70
xHighw'd	13	15
H & Dauch	59	60
Hi-Tow Dr	7	7¼
Holden A	400	425
x Do B	175	..
Hollinger	19¢	20
H Renfrew	70	..
Home Oil	810	815
H Smith	40	40¢
Do pr	49½	..
xHoyle	790	795
Hud Bay	63	63¼
H Owen A	17½	..
Do B	16	..
Do pr	26¼	..
xHugh-P	27	29
Hur & Er	38¢	39½
xHusky	835	850
Do wts	350	500
xHy-Charg	7	8
Imp Bank	50	51
Imp Flo-G	23¾	25
Imp Life	77	83
Imp Oil	38¼	38¾
Imp Tob	11¾	11¾
Imp Tob p	71	71¼
xInd Lake	8¢	9
Ind Accep	55¢	55¢
Do 4.50p	104½	105
Ingersoll A	9¼	..
In Cem pr	16¼	16¾
xInspirt'n	135	136
Int Bronze	8	9
Do pr	20	20½
I Met A	35¼	35¾
Do pr	104	104½
Int Mill pr	91½	95
Int Nickel	79¼	79¾
Do pr	134½	135
Do $5 pr	6¼	7
Int Pete	28¼	28¾
Infer Pow	200	205
xI Ran'k	120	125
Inter Util	40	40½
I Bldg Cr	15¢	16¼
Inter PL	27¼	27¾
xIron R	305	310
xJacobus	33	35
xJk Waite	20¼	24
Jam Pub	27	..
Jam P S	106	..
xJaye Exp	75	76
xJeanette	31	35
xJellicoe	9¢	10
xJoburke	15	16
Johns-Man	88	88¼
xJoliet	100	102
xJonsmith	28	29
Journ Ott	18	..
xJuanita	215	218
Kelvinator	15¼	16¢
xKenville	8	9
Kerr Add	18¢	18¾
xKerr L	25	40
xKeyboy	11	12
xKeymet	76	78
xKilembe	345	350
Do wts	170	175
xKirk Hud	31	36
xKirk L	38	40
xKirk Tn	19	19½
xKristina	13	14
xKroy Oil	112	114
Labatt	23¼	24
Labrador	15	15¼
xL Cinch	345	350
xL Duf'lt	219	220
xL Ling	12¾	13
xL-Osu	26	30
xL Shore	455	465
xL Wasa	24	26
L W'ds p	145	153
xLa Luz	285	300
xLamaq	345	350
Lang	6¢	7
Laura Sec	18½	20
Laurent A	10¢	11
Do B	20	..
x Do wts	..	140
xLavalle	6¢	7
xLa Jones A	21	22
Do B	21¼	..
xLeitch	70	71½
xLencourt	10¼	11¼
Lewis Bros	9	10
xLexindin	31	34
xLib Pete	255	265
Lindsay Co	40	..
Do pr	150	..
xL L Lac	111	112
Loblaw A	45¼	45¾
Do B	87	88½
Loews	120	..
xLomega	6¼	7
xLon Hos	125	300
Do A	7¼	8
xL I Pete	11	13
xLorado	136	138
xLouvic't	27	28
L St Law	24¢	25
Lowney	24¼	26
xLyndh'st	220	221
xLyns	7¾	7¾
xMacassa	200	203
xM'donald	81	85
xMacfie	26¼	27
xMackeno	43	44
MacKin St	42	43
Do pr	99	..
xMacLeod	137	138
MacMill A	42½	..
Do B	43¼	43½
xMadsen	256	260
xMagec	140	150
xMagnet	16	17
Mailman p	95	..
Do cum p	26	..
xMalartic	176	185
xMan Ur	26	27
M Sug pr	..	104
M L Gard	19	21
M L Mill	10	10¼
Do pr	102	103
xMaralgo	9¼	11
xMarcus	8¢	10
xMarigold	40	43
xMaritim	193	195
Do A wts	17	20
Do B wts	53	59
xMartin	12¢	13
Mass-Har	9¢	10
Do pr	105	105¼
xMatach	98	110
Maxwell	6¼	7
xMaybr'n	134	135
McBrine p	10	12
McCabe A	19¼	..
Do B	19	..
McColl	41¢	42¼
Do pr	100¼	101
McIntyre	82¼	83
xMcKenzie	38	40
xMcMarm	17	18
xMcWat'rs	35	37
xMendor n	110	112
xMerc Ch	30	40
xMerrill	257	260
xM'ril Pet	111	14
xMeta Ur	20½	21
Mex L&P	17	17¼
Do pr	11¢	12¢
Mex Tram	9¼	11
xMidcon	71	72
Mid & Pac	20½	21¼
xM-West	385	400
xMill City	26	27
xMilt Br	430	445
xMindam	257	260
Min Corp	22	22¼
xMin-Ore	32	35
Mod Cont	16¼	17
Do A	16¼	17
xMogul	310	320
Molson A	27¼	27¾
Do B	27	..
xM Knit	450	500
Do pr	42	60
Mon Mort	38	38
xMoneta	74½	80
Mont Loco	17¼	17¾
Moore	41¾	41¾
Do A	656	..
Do B	906	..
M'gan & C	22¢	..
Mor Brass	6¼	7
xMulti-M	150	153
xNama C	168	170
Nat Drug	12	12¾
Do pr	13¢	13¾
xNat Expl	61	63
Nat Groc	20	24
Do pr	28	28¼
N Hos A	5	..
x Do B	490	535
Nat Lead	83¼	84½
xNat Pete	296	300
N St Car	28¼	28¾
Nat Trust	41	43
xNeilo	23	27¼
xN Lab	135	160
xN Cont	28	29
xN Davies	16	18
xN Delhi	104	105
xN Dick	205	208
xN Fortun	30	31
xN Gas E	195	197
xN Goldvu	24	26
xN Harric	30	32
xN H'ridge	54	55
xN Hosco	27	29
xN Jaculet	20	21½
xN Jason	14	16
xN Kelore	22	23
xN Lagu're	10¼	11
xNewlund	49½	50
xN Marlon	9½	10¼
xN M Scot	23	26
xN Mylam	18	19½
xNewnorth	9¼	10
xN Rouyn	15¼	16
xN Roy	168	170
xN Senat	8¼	9
xN Sup	225	230
xN Taku	25	35
xN Thurb	22	23
xNib Yello	6¼	6¾
xNick R	108	115
xNipiss'g	235	236
xNisto	8¼	8¾
xN-Acme	..	61
Noranda n	51½	52
xNordon	17	19¼
xNorgold	26	27
xNorlartic	11	11¼
xNormet	675	680
xNorpax	45	46
xNC Oils	450	465
Do pr	160	180
xNor Inca	9¼	9¾
xN Rank	74	76
Nth Star	14¼	15
x Do wts	7¼	8
xNth Trin	9¼	9¾
xNth Can	60	64
N Que Pow 1 pr	52¼	56
NW Util p	..	97
xNudulam	45	48
Oak Wood	7	7
xObaska	8¼	9
xO'Brien	65	70
Office Sp	14¼	17
xOgama	9½	12
xOil Select	8¼	9¼
xOka R M	82	95
xOkalta	197	200
xO'Leary	34	35
xOmnitrans	4¼	4¾
xO B Sup	..	22¼
Do pr	..	5
xO Jk Cl	260	265
Do pr	11¼	12
x Do wts	70	80
Ont Loan	27½	28
Ont Steel	27	30
Do pr	133½	..
xOpemisk	930	935
xO'nge C	400	415
xOrenada	37	38
xOsisko	49	50
xP Coyle	75	110
xPac East	11	12
Pac Pete	12¾	13
Page Hers	79½	80
xPamour	60	62
xPan West	32¼	33
xParamaq	9	11
xParbec	15	15½
xPardee	70	73
xPark Dr	490	495
xPater U	143	145
xPathfind	87	88
xPaymast	35	38
xPeace R	940	975
Pembina	18¢	19½
Do pr	50¼	50½
Penmans	53	56
Do pr	103	..
P C Jewel	16½	17¼
Do pr	101	103
xPerron	26	30
xPeruv O	186	190
xPetrol	272	275
Photo Eng	40	41
xPick Cr	125	130
xPioneer	191	196
xPitch-Ore	13	13¾
Pitt P Gl	82	82
Placer	36¼	37¼
xPonder	81	85
xPoplar O	40	45
Pow Riv n	342	355
xP Rouyn	54	57
Pow Corp	54¢	55
xPrair O	405	410
xPrem Brd	5¼	7
Prem Tr	80	86
Pr Met	19¼	19½
xPreston	700	715
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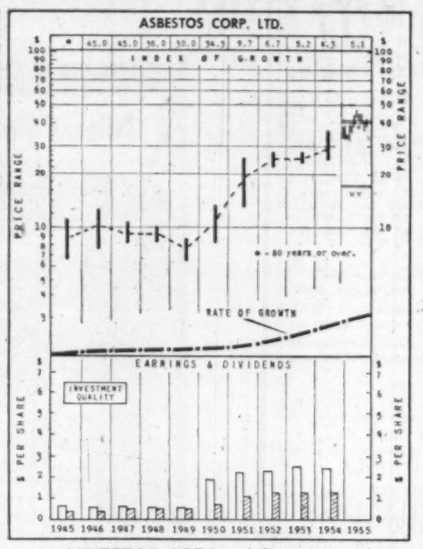
Getting Ahead

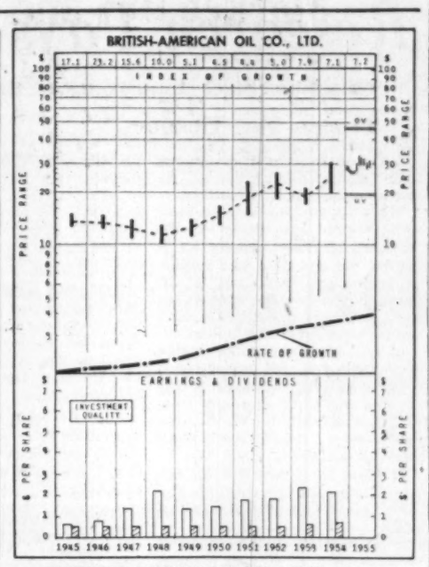
Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail in Canada, $6; elsewhere $7 yearly.

Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.



ASBESTOS CORP.—Asbestos is enjoying a broadening demand based on its use in various building materials, as a coating and abrasive in industrial applications, and for both temperature and electrical insulation. Ranking as the largest producer of asbestos fibres, and having large reserves, Asbestos Corp., should share fully in this growth.



BRITISH AMERICAN OIL—With prospects for rapid growth in demand for petroleum products in Canada, coupled with an expansion and development program aimed at improving integration, British American Oil, second largest factor in the Canadian oil industry, should register better-than-average growth.

How To Read the Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: the rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post, Jan. 10, 1953. A limited number of reprints are available on request.

Asbestos

Asbestos Corp. selling recently at $42 is 147% above UV level and 6% above OV level. Present price is 17.28 times 1954 earnings. Yield based on indicated $1.60 per share dividend is 3.8%.

Earnings this year may be moderately higher than 1954. Company recently declared an extra dividend of 60c per share (25c extra last year) which reflects not so much higher earnings but reduction in current needs for capital outlay.

Normandie mine described as coming along "very well" and moving into its stride. Earlier problems of grading largely nearing solution. Outlook encouraging, with real benefit from the mine to be derived in 1956. Unofficial sources estimate it should raise output by one third.

Sales will be higher for the year. Markets generally fairly strong. Business is good in the United States and Europe. Exchange problems acute in most South American countries including Chile, Brazil and Argentina. Competition from Russian and Rhodesian fibre felt in Europe.

B-A Oil

British American Oil common, trading recently at $30 a share is 50% above its UV level and has room for a rise of 50% to its OV level. This level equal to about 13.9 times 1954 earnings and provides yield of 2.83% on the basis of 85c annual dividend rate. So far in 1955, low has been $25⅞, high of $33¾.

Sales continue to hold up with profit picture better than last year when net amounted to $18,159,114, equal to $2.16 a share. In the first nine months sales about 13% ahead with gasoline, turbojet and diesel fuel largely accounting for the increase.

In the first half of 1955, earnings up almost 6% at $9,805,000. Company president recently reported prospects for the remainder of the year were "very promising."

Crude oil and natural gas output and sales of refined products at record levels in the third quarter. U.S. subsidiary output was again at a record level and substantial increases occurred in Canada.

Increased competition continues to affect profit margins with much of the improvement in earnings reflecting production and exploration activities. In Louisiana, B-A holds a quarter interest in a discovery well completed with a potential flow of more than 500 barrels a day on a 640-acre unit. The company also holds a full interest in more than 2,000 acres in this Ouachita Parish area.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Oil and Gas

MID-WEST INDUSTRIAL GAS LTD. consolidated net profit for the year ended Aug. 31, 1955, was $25,637 compared to a loss of $109,191 the previous year.

President R. G. Campbell says the company now has three substantial contracts. A 20-year contract which commenced in 1953 calls for delivery of a minimum of 2.8 billion cubic ft. of gas per year to Sherritt Gordon Mines Ltd. Current average daily deliveries to Sherritt Gordon are reported to be about 8.3 million cu. ft., slightly in excess of the contract minimum.

On Oct. 1, 1956, mid-west will commence a 10-year contract with Calgary Power Ltd. under terms requiring delivery of approximately 12 billion cubic feet in the four year period after the first full year's operation. A 20-year contract with North Canadian Oils Ltd. calls for delivery of a minimum volume of seven million cu. ft. a day with provision for sales of gas in quantities up to 14 million cu. ft. a day.

Deliveries of gas to both the steam generating plant being constructed by Calgary Power and to the proposed pipeline of North Canadian Oils is expected to commence by the fall of 1956, Mr. Campbell said.

The gas delivered to the pipeline is intended for eventual transmission, under contract, to the North Western Pulp and Paper Co. mill now under construction at Hinton, Alta., 140 miles away. The gas line will enter the North Canadian Oils' pipeline at Lake Wabanum.

Survey for a $1,250,000 10-inch pipeline from the company's gas fields at Alexander Indian Reserve to Lake Wabanum, 31 miles away, is under way, Mr. Campbell reports. On receipt of a pipeline permit from the Province of Alberta, immediate steps will be taken to obtain materials so that construction can be started in the spring of 1956, he added.

The company currently holds 89,000 acres of proven and semi-proven land in Alberta. A 92,000-acre tract in Saskatchewan was returned to the Crown this year on geological recommendations that no further expenditure on the property was warranted.

An extensive drilling program was carried out during the year at Alexander Indian Reserve, Majeau Lake and Westlock, and the company purchased from Pacific Petroleums Ltd. a capped well and block of land surrounding it in the Calahoo area.

Mr. Campbell says Mid-Western currently has six "exceptionally good" wells capable of production. Two, now completed at Alexander, are the largest of their type in Canada with tests after completion showing absolute open flow potentials of 189 and 285 million cubic feet per day.

During the year six dry holes were drilled and because of dry holes in the Majeau Lake area, estimates of reserves have been decreased there. Future development work could, however, increase reserves in this area considerably, Mr. Campbell says.

In April, $2,000,000 15-year 5% sinking fund secured notes were issued to both retire a $1,150,000 bank loan and provide funds for development. The company has the unrestricted right to issue another $500,000 of additional notes for the construction of the pipeline for the Wabanum project.

The policy of writing off well and lease costs based on recoverable gas reserves was adopted this year. Its application to operations before the start of the latest fiscal year resulted in a charge of $11,789, reflected in the deficit account.

COND. CONSOL. BALANCE SHEET

As at Aug. 31:	1955	1954
Cash	$453,293	$161,899
Accts., etc., rec.	39,399	52,393
Total curr. assets	494,692	214,292
Prep. exps.	19,840	19,309
Explor. dev., cost	1,915,490	1,479,236
Leases and wells†	1,180,144	.....
Pipelines‡	368,734	394,982
Buildings & equipt.‡	39,376	32,294
Other assets	26,709	23,132
Total assets	3,144,985	2,158,245
Total curr. liabs.	153,605	40,969
Funded debt	2,000,000	957,467
Capital stock	1,264,000	1,264,000
Less: Deficit	272,620	109,191
†After deprec. of	92,184	5,792
‡After deprec. of	28,395	.....
‡After deprec. of	8,015	8,575
§Included in current assets in co.s report.		
Working capital	341,087	173,323

INCOME ACCOUNT

	Year ended Aug. 31 1955	9 mos. ended Aug. 31 1954
Gross gas sales	$310,216	$66,560
Net earnings	173,546	43,392
Add: Other income	5,098	1,138
Prof. sale of prop.	.....	4,141
Less: Deprec.	30,945	9,020
Interest	46,001	34,846
Well & lease costs w/o	74,602	27,402
Taxes	1,459	.....
Net profit and surplus	24837	•109,191
•Loss or deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.01	d$0.05
None paid.		

Distillers

H. CORBY DISTILLERY LTD. consolidated net profit for the year ended Aug. 31, 1955, was $1,642,933, 6.5% lower than $1,757,166 in the previous fiscal year.

Conversion of the balance sheet of Robert McNish & Co., Scotland, a wholly-owned subsidiary, from sterling into Canadian currency for inclusion in the consolidated statement of the Corby Distillery Ltd. resulted in a credit to consolidated profits and a loss of $18,240. The loss reflects the strengthening of sterling in terms of Canadian currency during the year, President Leo W. Vezina states.

Earnings of Robert McNish & Co. were $176,260 in 1955 as compared with $211,006 in the previous fiscal year, a 16.5% decrease.

Transfer of earnings from Scotland are subject to foreign exchange controls. However, during the fiscal year the parent company received $8,007 in dividends.

Replacement of the power plant at Corbyville, reported on at the last two annual meetings, was completed in 1955. No major expenditures for renewals or additions are expected for the next year, states Mr. Vezina.

CONS. INCOME ACCOUNT

Years Ended Aug. 31:	1955	1954
Net earnings	$3,161,750	$3,691,891
Less: Deprec.	159,670	144,033
Unreal. exch. loss‡	•18,240	59,756
Inc. tax res.	1,442,832	1,736,894
Add: Prof. on inv. & assets sale	65,445	5,958
Net profit	1,642,933	1,757,166
Less: Dividends	1,223,108	1,111,916
Surplus for year	419,825	645,250
‡Re consol. of accts. of Robert McNish & Co., Scotland.		
•Profit.		
Earnings per Share and Dividend Record:		
"A" & "B"	$1.48	$1.58
Paid	1.10	1.00

CONDENSED CONS. BALANCE SHEET

As at Aug. 31:	1955	1954
Cash	$1,610,905	$2,639,964
Br. Govt. Bds.†	137,000	794,100
Accts. rec., less res.	1,371,846	952,877
Inventories	7,503,353	7,655,476
Total curr. assets	10,623,104	12,042,417
Prep. exps., etc.‡	75,423	58,963
Investments	1,229,758	.....
Fixed assets*	1,459,944	1,350,558
Total assets	13,379,286	13,451,938
Accts., etc., pay.	660,592	781,105
Taxes pay	861,774	1,233,838
Total curr. liab.	1,522,466	2,014,943
Capital stock	3,986,442	3,986,442
Surplus	7,870,378	7,450,553
*After depr. of	3,977,395	3,590,777
†Market value	107,887	802,944
‡Included in curr. assets in co's report.		
Working capital	9,100,638	10,027,474

Short Position Rises On M.S.E.

MONTREAL (Staff) — Short position on the Montreal Stock Exchange on Nov. 15 amounted to 9,175 shares of 25 issues compared with 8,770 shares of 23 issues on Oct. 31. Chief changes were:

Stock	Shares	Stock	Shares
Abitibi	+100	Dist. Seag.	—150
Brazil. Tr.	—2,000	Dom. Steel	+125
Anglo-Cdn.	+100	Gen. Dyn.	+170
Bell Tele.	+251	Int. Nickel	+350
Cons. Smelt.	+100	Mtl. Loco.	+1,100

Short position on the Canadian Stock Exchange totaled 56,000 shares of 37 issues on Nov. 15 compared with 49,600 shares of 33 issues on Oct. 31. Chief changes were:

Stock	Shares	Stock	Shares
Base Met.	+2,000	New Pacif.	—1,300
Bouscadillac	+1,000	Que. Chib.	+1,500
Kontiki	—1,000	Stand. Gold	—1,000
Molybden.	+1,600	Valor	+1,000
		Virginia	+1,200

Here is the actual short position shown:

MONTREAL STOCK EXCHANGE

Stock	Shares	Stock	Shares
Abitibi	700	Imper. Oil	145
Algoma	125	Ind. Accept.	125
Ang.-Cdn. Pulp	100	Int. Nickel	350
Asbestos	100	MacMil. B	125
Bell Tele.	251	Mtl. Loco.	1,600
C.P.R.	230	McColl-Front	200
Cdn. Vickers	600	Noranda	729
Cons. Smelt.	700	Powell River	300
Dom. Steel	1,125	Shawinigan	175
Eddy A	100	Weston Ltd.	
Fraser Cos.	300	Geo. A	100
Gen. Dyn.	270	Do. B	100
Gypsum	400		
How. Smith	225	25 Issues	9,175

CANADIAN STOCK EXCHANGE

Stock	Shares	Stock	Shares
Anacon	4,100	Mama Creek	200
Base Met.	5,300	New Delhi	300
Brown	200	New Pacific	1,000
Bor. R Met.	300	New Royran	1,500
Bouscadillac	1,000	New Vinray	500
Burnt Hill	1,500	Okalta	100
Cdn. Devon.	600	Prest E Dome	500
Cdn. Lith.	6,800	Que. Chib.	9,000
Cons. Denison	100	Que. Copper	900
Fleet	100	Que. Nickel	100
Ford A	100	Soma-Duv.	2,500
Gunnar	300	Stand. Gold	1,000
Inspiration	500	Steep Rock	100
Kontiki	1,000	Sullivan Cons.	500
L. Dufault	800	Un. Asbestos	1,900
Lorado	1,300	Valor	1,900
Merrill Isl.	500	Virginia	4,700
Mogador	1,000	ViolaMac	600
Molybdenite	3,900	37 Issues	56,000

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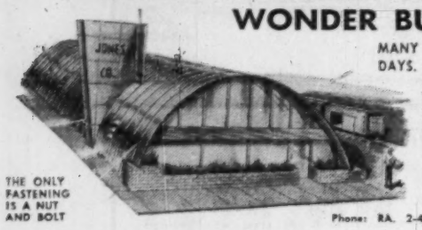

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Research Pays Off

Canadian Steel Improvement Gets Forging Process For Titanium

A Canadian industrial research team has perfected a process for precision forging of titanium.

Vigorous, young Canadian Steel Improvement Ltd. perfected the defense-important process as it neared the end of a $3.5 million expansion program aimed at diversifying its output of castings and forgings toward Canada's competitive commercial fields.

In fact, titanium in the engine of the bus you ride tomorrow is a hot possibility—thanks to the jet age and CSI's research team that has solved one of the key problems of this lightweight "wonder metal."

It opens up a new era for the jet engine, the gas turbine and many other commercial applications.

It is CSI's 10th birthday present to its parent, A. V. Roe Canada Ltd., which this week is marking its anniversary of spectacular growth from 300 to 12,000 employees; $16 million investment to about $100 millions now; one large and idle plant to nine manufacturing and engineering plants in 5.4 million sq. ft. of space — and still growing.

CSI's $3.5 million expansion is only one part of the whole A. V. Roe Canada program, currently about $14 millions—or almost as much as the original investment by Sir Roy Dobson's Hawker-Siddeley group.

But the success of Canadian Steel Improvement's titanium research can mean much to A. V. Roe Canada's long-term, over-all program.

President Crawford Gordon gave some hint of it, this week when he said: "We've come a long way and we're going a lot farther—a whole lot farther, now that we've broached our industrial base to the point where our operations are split about 50-50 between defense and commercial.

"On the aviation side we're certainly heading into avionics—the new word people are using for the advanced electronic stage aviation is appr ching so quickly—and nuclear power. And there's the whole new field opening up by titanium and the new and better light alloys. There, we've already done some pioneering. On the commercial side, I believe railway and commercial road transportation is on the verge of a big advance . . . lightweight rolling stock and trains, improved diesels. Maybe there'll be nuclear power in that line too—certainly gas turbines are coming for buses and trucks."

Titanium's biggest role under present plans is in the engine field. That was why CSI three years ago was given the task of devising production methods for titanium blades to be used in a supersonic gas turbine engine rated at 18,000-25,000 lb. thrust. (The current Orenda is rated at 7,000 lb. plus.) Avro wanted a more powerful engine, but it had to be lighter, otherwise it would be necessary to design a bigger frame to carry it.

The very properties that make titanium valuable for aircraft engine construction — lightness, strength and resistance to heat extremes—also make it a difficult forging material.

Steel Improvement President Cyril J. Luby says the new finishing process eliminates two baffling characteristics of titanium work: hydrogen pickup and oxygen scale. It enables the forging shop to heat treat large, thin components such as gas turbine blades without distortion.

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Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Public Utilities

MEXICO TRAMWAYS CO., Toronto, net profit for the year ended June 30, 1955, was $459,183, 104.8% higher than $224,247 in the previous fiscal year. This was the second year of operation as an investment company.

Valuing securities at cost, the company's net worth at year-end was $2,419,561 ($1,960,378). If marketable securities were valued at quotations prevailing on the last day of the respective fiscal years, the net asset value amounted to $2,875,478 ($2,008,890) or $10.83 ($7.57) per share.

The increase in value of $3.26 per share was due to $1.73 earnings per share accrued during the latest fiscal year, and $1.53 unrealized appreciation in value of the company's securities portfolio, says President W. E. P. DeRoche.

While the enterprises in which company has invested vary both as to place and type, more than half of the securities portfolio consists of investments in firms which are engaged principally in the extraction and development of natural resources. Canadian investments are limited to securities of foreign business companies operating outside Canada.

Except for this limitation the company has tried to diversify its holdings by investing in firms conducting business in various parts of the western world, with some emphasis on economically young and underdeveloped areas. The company believes that the results achieved since July 1, 1953, when it began its investment activities, justify its present investment policy.

The profit from the sale of investments during the year amounted to $425,906 ($217,590), income from investments totaled $51,565 ($23,729) while administrative and other expenses were $18,289 ($17,072).

The total accumulated earnings for the two years ended June 30, 1955, amounted to $683,430, compared to $224,247 for the year ended June 30, 1954.

SUMMARY OF INVESTMENTS

Category*:	Cost of secs.	Mkt. value
Mining	$708,516	$1,015,082
Oil & gas	255,179	302,925
Utilities	234,636	282,750
Foods	247,423	287,907
Electrical equipt.	171,786	173,750
Chemicals	82,559	79,450
Merchandising	79,229	98,000
Investment cos.	175,027	200,525
Insurance	57,419	55,625
Railroads	16,350	15,200
Miscellaneous inds.	56,290	48,116
Total	2,084,414	2,540,330

*According to principal business of issuing companies.

Domicile of Issuer†:	Cost	Mkt.
Canada & U.S.	893,721	1,052,189
Cent. & S. America	169,589	165,963
Sterling area	763,718	954,178
Europe	209,086	260,000
Africa	108,000	108,000
Total	2,084,414	2,540,330

†According to countries or area of domicile but not necessarily the place of business operations.

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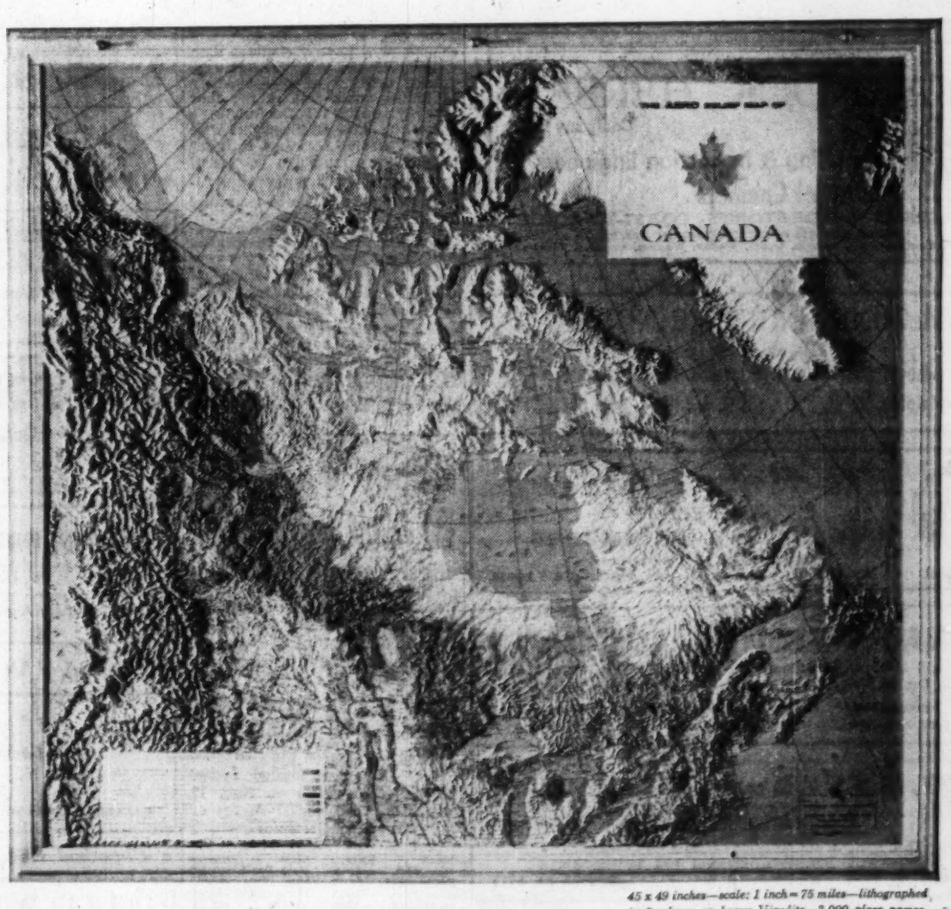

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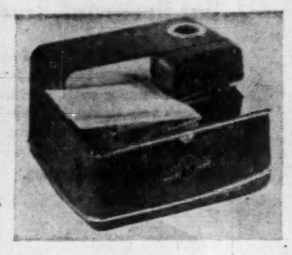

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Action Coming on Culture

Government Readies Bill for Massey's Arts Council

OTTAWA (Staff)—The increasingly emphatic calls for Government help for Canadian "arts, letters and social sciences" may lead to action at the coming session of Parliament.

A Government bill to establish the Canada Council, recommended by the Massey Royal Commission four years ago, will probably be brought forward next year. The decision is not yet final; some politicians are still worrying about the effect it may have in Quebec. But the prospects are firmer than they have ever been.

The bill was drafted ready for the 1955 session; but it was never presented.

It takes the first major step of establishing the council, without providing who its members shall be—that will be decided by the Cabinet—or how much money it shall have to spend.

The Massey Commission recommended that the council should have 15 members "properly representative of the cultures and of the various regions of Canada." Either the chairman or an executive secretary are envisaged, now, as being full-time appointments, with the rest of the council having final decision on the distribution of whatever money is voted.

The causes to be assisted would include scholarships in the humanities at Canadian universities, the work of voluntary organizations, and artistic enterprises of all kinds.

As the Government now sees it, the Canada Council should start modestly with quite small sums of money to be allocated in grants. But the grants would be expected to increase over the years as the Council learns more about the many claimants who will be coming to it for assistance.

The Massey Commission made no recommendation about the size of the Council's funds. But it is envisaged that the modest start might be even below $1 million a year.

TV Commission

At the same time the Government is, at last, coming to grips with the scheme of financing a national TV service. A Royal Commission on CBC television has been in the offing since early summer, when the Government decided to appoint it. Delay has resulted from Government indecision on appointments. But now only one major appointment is holding up the go-ahead. It's thought this will be made almost immediately.

An independent investigation into TV "not later than three years after the commencement of Canadian television broadcasting" was recommended by the Massey Commission. But particular urgency derives now from the financial position of the Canadian Broadcasting Corporation.

The fiscal year ended last April is the last in which the CBC can expect to cover its operating costs out of its current revenues, because its main source of revenue for its costly television service is from the excise tax on sales of new receivers. In the first major period of build-up this has been lucrative. Last year radio and TV combined left the CBC with a surplus of about $4.2 millions. This meant an accumulated surplus at April of $10.8 millions.

But forecasts given to the parliamentary committee at the beginning of this year indicated that the whole of this surplus might be eaten up by 1955-56 operations.

Things are a trifle more cheerful than that now, because sales of TV sets have kept up well beyond expectations. Commercial revenues have also improved. But an operating deficit is inevitable in 1956-57.

The TV Royal Commission is not likely to finish its work by the end of the present financial year. Some stop-gap arrangement will almost certainly have to be made before its report can suggest a new method of financing CBC operations.

The enquiry is expected to cover many aspects of the arrangements between the national broadcasting service and the commercial stations, including the idea (advocated by private broadcasters for some years) of having a regulatory body separate from the CBC governors. But it is understood that the commissioners will not be asked to enquire into the fundamental policy of having a publicly owned broadcasting and television service in Canada. That remains Government policy; and the Government has not been able to see any other way in which Canada can preserve a distinctively Canadian radio service.

Last year the CBC spent $4 millions on Canadian talent for TV, and about the same amount for radio. Government studies have indicated that it is absolutely out of the question for private operators to come near covering the costs of originating comparable shows.

The Royal Commission's business is likely to be to search for ways of smoothing the co-operation between the national system and the private stations. At the same time it is to suggest the most acceptable ways by which the taxpayers will pay the cost of keeping Canadian broadcasting and television Canadian.

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ANNOUNCEMENT

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JAMES A. RICHARDSON

Mr. C. S. Riley, Chairman of the Board, announces the appointment of James A. Richardson to the Board of Directors of the Canadian Fire Insurance Company, the Canadian Indemnity Company and the United Canadian Shares Limited, effective November 15, 1955.

Mr. Richardson who is a Vice-President of James Richardson & Sons Limited, is also President of Commercial Insurance Agency Limited and a Director of the Canadian Bank of Commerce.

Foreign Pr. Sec. Decreases Capital

MONTREAL (Staff) — Shareholders of Foreign Power Securities Ltd. last week approved a proposal to decrease the paid up capital of the company to $875,000 from $1,975,000 without decreasing the number of shares.

The capital reduction of $1.1 millions ($20 per share) will be repaid shareholders on a pro-rata basis. The present capital of the company consists of 55,000 shares of npv. Date of distribution has not been settled.

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The general specifications of the redevelopment are to be:

1. An apartment project of high-rise buildings, situated in the area above stated according to a site plan to be approved by the City Planning Board.
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3. Units to be bachelor, one and two bedroom apartments, in a ratio to be agreed upon between the developer and the City Planning Board.
4. Parking to be provided for 100% of the units, at least 80% of this to be underground.
5. Site to be landscaped, making provision for recreation of residents of the project.
6. Municipal taxes to be paid in full on land and buildings, whether proposal is on a freehold or leasehold basis.
7. Final proposals to be submitted not later than Feb. 15, 1956, by registered post only addressed to the Chairman of the Board of Control, City Hall, Toronto, and plainly marked "Redevelopment Proposal."

Developers are requested to contact the Director of the City of Toronto Planning Board for further information and a statement of full requirements.

November 18, 1955.

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Mayor.

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Ottawa Shops Defy Curfew

OTTAWA (Staff) — Merchants in the outlying Billings Bridge shopping centre here have won the first round in their court battle with the City of Ottawa over night-time shopping.

Senior County Judge A. G. McDougall, sitting in the capacity of local judge of the Ontario Supreme Court, denied the city's request for an interim injunction. This would have forced the stores to close at 6 p.m.

When the Billings Bridge stores remained open until 9 p.m. for the first time on Thursday, Nov. 17 — two days after the civil service's payday — they reportedly enjoyed a shopping boom. But they were all summonsed immediately to appear in police court for violating Ottawa's city-wide 6 p.m. closing bylaw.

The next night, the stores again remained open until 9 p.m. Ottawa's mayor and other civic authorities said they would seek the maximum fine — $300 — each time a merchant defied the 6 p.m. curfew.

When the merchants appeared in court last week, however, the city dropped its charges without explanation. Next day, it sought an interim injunction, which was denied. The city's next move, it is understood, is to be a new application for an interim injunction at Osgoode Hall, Toronto.

Merchants at the Billings Bridge shopping centre contended that they are not bound by the Ottawa early closing bylaw, since their area was not a part of the city when the bylaw was enacted. It was later annexed.

Town council in suburban Eastview last week amended a bylaw, to allow shops in that municipality to remain open until 10 p.m. on Fridays. Business was excellent in many Eastview stores the first Friday night following the council's action, said Board of Trade President Aurele J. Houle.

In Ottawa itself, stores are permitted to stay open at night only from Dec. 20 to Dec. 30. Many downtown merchants are reported to be in favor of exercising this privilege this year for the first time since 1941.

Shop Hub Plan Is Resumed Again

LETHBRIDGE — Shoppers World Ltd. plans to start construction next spring of a $275,000 addition to a shopping centre being developed here as a million dollar project. Art Batty, president of the firm, stated that details which had delayed the project for two years have been ironed out.

He was recently in Eastern Canada to complete arrangements to finance the scheme.

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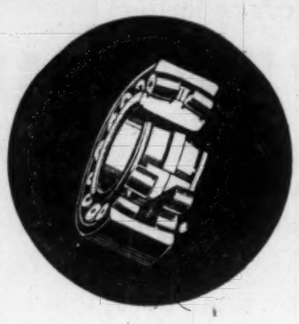

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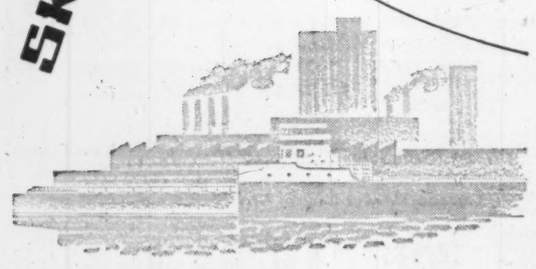

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Rule Bonus To Key Men Deductible As Expense

OTTAWA (Staff)—A road construction and maintenance company has been upheld in its appeal against assessment of income tax on money it allotted to a "reserve" for employees' bonuses.

The unidentified company showed a reserve of $34,361.63 on its balance sheet at the end of 1952. This related to a bonus system set up late in 1949 for a period of five years. The amount of the fund, to be determined at the end of each fiscal period, was to be distributed in December of the following year. Three top officers were to receive at least 15% of the fund each, three others at least 10%, and the rest —25% or less—was to be divided among other employees according to merit.

The Department of National Revenue held that the amount was not in fact a legal liability of the company, that it was legally a reserve and therefore not deductible, and that the $34,361.63 was a distribution of profits after they had been earned.

In his decision, Income Tax Appeal Board Chairman Fabio Monet wrote, "The essence of the word 'reserve' as found in section 12 (1)(e) of the Act involves an element of contingency, an element of doubt or an element of discretion which is not an earmark of this particular fund . . .

"The amount of the fund in question here was not set aside as a provision against the happening of an uncertain event in the future; there was nothing doubtful, contingent or estimated with respect to it, or any part of it: it had to be paid in full every year."

Mr. Monet also agreed with the company's contention that the $34,361.63 was not a distribution of profits after they had been earned, but an expense incurred for the purpose of producing income for its business.

As evidence of this, the company declared that the bonus was paid as remuneration for services, in lieu of higher salaries; that its purpose was to produce income from the business, to create an incentive for employees, and to induce them to increase their own efforts; and that the purpose was not the distribution of profits.

How Nash Aims To Capture Your Auto Buying Dollar

Nash Motors of Canada executives and dealers this week attended a special dealer conference and new car preview in a Toronto night club. Everywhere they looked they saw the same jumble of letters and figures: GUI '56.

Meaningless? Not at all. It's an advertising slogan which Canadians soon will hear frequently. It stands for "Going Up In 1956." It refers to the Nash hope for a brighter future.

Nash spokesmen told their dealers at the spotlight-splashed Toronto meeting:

—The company aims to equal Studebaker sales for 1956 models. (Studebaker-Packard of Canada turned out more than 7,000 1955 models compared with about 3,000 for Nash and Hudson combined.)

—It hopes to supply 6% of the new car market within the next three years. (This year, between them, Nash-Hudson and Studebaker have failed to supply that much.)

—Nash is banking on the low-priced Rambler for future volume sales. It sees the Rambler as a natural for urban sales, particularly in the second-car market.

The assembled Nash dealers greeted these announcements with whistles of amazement.

And the company is backing the ambition with action.

When it officially unveils its new cars Jan. 10 (dealers saw them this week), there will be many changes.

The Rambler will be "the most completely changed car in North America." Featuring a four-door hardtop, it will be roomier and flashier, retain its oft-mentioned safety construction features.

The more expensive Statesman and Ambassador lines have been facelifted. The Statesman, which was a problem car this year, has 30% more horsepower, a new engine, new front and rear-end treatment.

There'll be a better deal for Nash dealers. They will start getting retroactive volume discounts after selling 25 Nash cars. (Closest approach among the other companies: A discount after 75 cars.)

The company is allowing a slightly wider margin between what the dealer must pay and suggested retail selling price. This could mean slightly lower or unchanged Nash prices in a year when price tags on other autos tend to be slightly higher.

The Toronto-based firm will intensify its sales training and service training help to dealers.

And it is beginning immediately a type of co-operative advertising program. In addition to national advertising—mainly the sponsorship of Disneyland on TV —it is going to finance ads in local newspapers.

For each new car which a dealer takes, the company will allocate an amount for local advertising. The more cars a dealer can sell, the more company-sponsored ads he gets. And he controls the scheduling of the ads.

Said Advertising Manager John G. McNally:

"It's the most generous such plan in Canada. It's the fairest and finest local advertising plan in the industry today."

Other Nash executives made other best-in-the-industry claims.

The company's parts distribution policies—of which some dealers had complained—would top those of all other automakers by next spring, said General Sales Manager Robert J. Orr.

There will be a serious attempt at volume operation. Production of 1956s, now under way, will be on a schedule 60% higher than a year ago. Three times as many two- or three-tone cars can be turned out, if necessary.

There'll be more dealers. The dealer organization in the eastern zone already is up 35%, will be boosted again.

"Today a new era dawns for Nash," said the commentator in one of the films shown the dealer gathering.

"Well, if we can't sell the Rambler, we better go back to bicycles," reacted one dealer in a muttered undertone.

With its pretty girls and company-provided meals, the Toronto meeting meant one thing:

Nash—caught in the middle of a furious sales battle among the bigger automakers — has decided to fight back. In this decision, it joins Studebaker-Packard.

Nash has admitted its recent faults in the field of volume selling, has overhauled its organization from top to bottom. It becomes another entry in the nation's frantic autoselling sweepstakes.

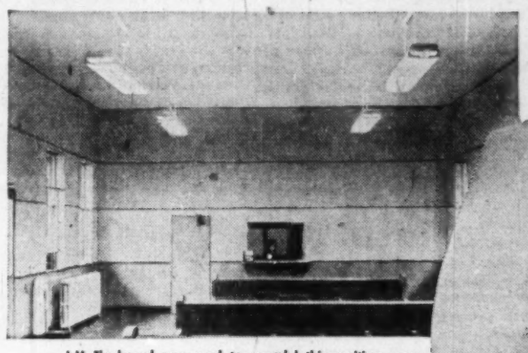
ANNOUNCEMENT

J. E. SHIRREFF

At a recent meeting of the board of directors of Johnson, Matthey and Mallory Ltd., J. E. Shirreff was appointed Vice-President.

The fireproof, rotproof board with unlimited uses

Johns-Manville Asbestos Flexboard



J-M Flexboard was used to remodel this waiting room.

For fireproof, sanitary interiors...

J-M Flexboard is one of the most popular building boards on the market today. It is being increasingly used for interior walls, partitions, ceilings, etc. Though very strong, Flexboard is light in weight, easy to saw and nail, and accommodatingly flexible. Smooth-surfaced, it is easily washed, and it never needs paint for preservation.

For attractive, maintenance-free exteriors...

The modern factory building pictured is an example of many such buildings now being constructed of J-M Flexboard. Made of asbestos and cement, this board defies fire, wear and the extremes of weather. Hard-surfaced, it resists scuffing and marring, is easy to keep clean and will never need preservative.

Terrace Bay, Ontario — World's largest building constructed of J-M Flexboard.

B-342 FREE! Write for informative folder on J-M Flexboard. It shows application methods, building and fabrication uses, photos of various installations, etc. Canadian Johns-Manville, Dept. 5153, 565 Lakeshore Road E., Port Credit, Ont.

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Rails, Ships, Buses, Hotels Have Banner Travel Year

OTTAWA (Staff) — Holidayers on the move have made 1955 a banner year for passenger traffic, representatives of major transportation companies told the tenth federal-provincial tourist conference here last week.

This year's foreign tourist trade in Canada may exceed the record value of $302 millions set in 1953, with Canadian tourists adding another $300 millions or more. For railways, bus lines, steamship companies and airlines, the results are encouraging.

"We had a very successful year this year," said Ian Warren, CPR's general passenger traffic manager, "in developing transcontinental Canadian travel. More could and should be done to develop interprovincial travel in this country."

Said H. J. Nevin, assistant general passenger traffic manager, CNR: "We are quite happy with the results this year. While the number of passengers handled was smaller as far as immigration was concerned, on our transcontinental lines we had good results and are looking forward to better results in the future."

J. G. Fisher, passenger traffic manager, Canada Steamship Lines: "We too had a very successful year, both on the steamers and at our two resort hotels. We had a particularly good year at Murray Bay."

Roger Savard, manager of sales and public relations, Provincial Transport Co., Montreal, told tourist officials from 10 provinces that the motor coach industry has "taken a new slant." "We are no longer going to be order-takers," he said. "We are going to go out and get business." Emphasis will be placed on escorted tours, with frequent stops for picture-taking at points of interest.

A six-year rehabilitation program for highways in national parks was announced by J. A. Hutchison, director of the National Parks Branch, Department of Northern Affairs & National Resources.

The highway in Fundy Park is now the only one suitable to the demands placed upon it, said Mr. Hutchison. By 1961, all other highways in national parks will have been rebuilt to a "substantially higher standard."

Transatlantic Leader

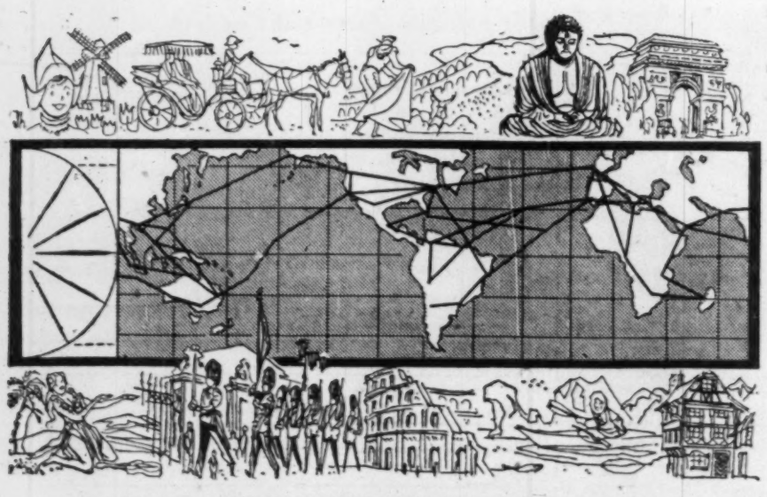
Lockheed Super Constellation

Whatever your destination across the Atlantic, Lockheed Super Constellation is the most comfortable way to get there fast.

Choice of such leading international airlines serving Canada as TRANS-CANADA AIR LINES, Air France, and Qantas, the Super Constellation is truly your gateway to the world. In all, twenty of the world's greatest airlines fly Super Constellations over connecting routes spanning every ocean and every continent. Super Constellations are the only airliners on which you can fly completely around the world.

High speed, extra power, and many exclusive luxury features make Super Constellations international favorites—the choice of experienced world travelers.

On your next trip, insist on Lockheed Super Constellation—finest, most luxurious airliner ever built.



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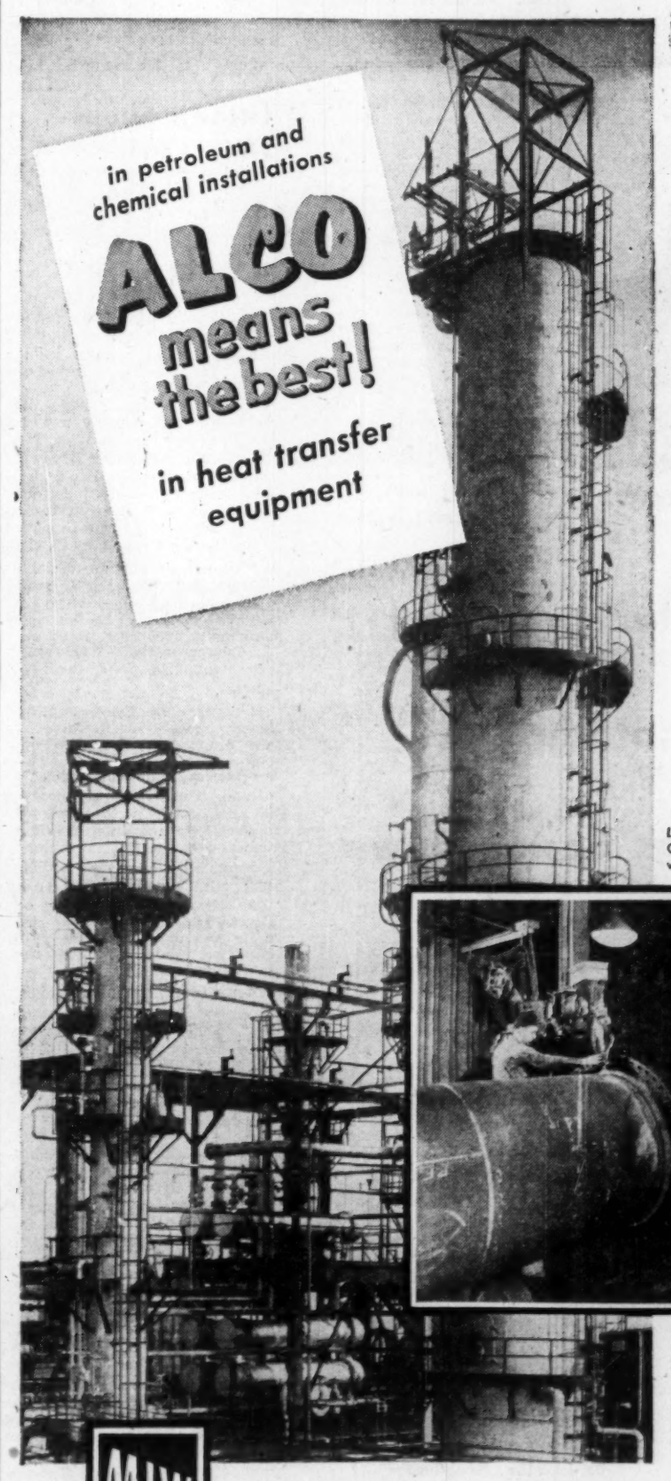

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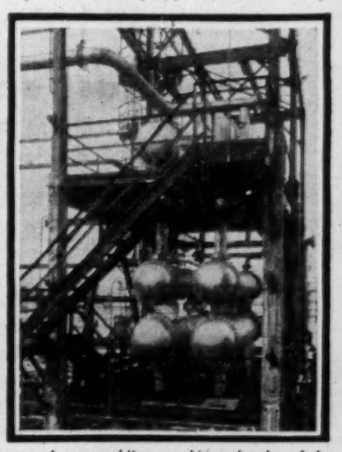
Custom engineered to your specifications, Alco heat exchangers range in pressure from high vacuum to 3000 psi; in temperature, from minus 300°F to 1150°F. They are built to TEMA standards and to ASME or API-ASME codes.

Alco heat exchangers are fabricated of carbon steel, nonferrous alloys, stainless steel, stainless clad, nickel-clad or clad steels. For details call or write.

Left—Crude stilling unit at Montreal plant of McColl-Frontenac Oil Company, Ltd., equipped with MLW exchangers, produces wide range of hydro-carbons. Capacity: 24,000 bbls. a day.



Center—Submerged arc welding machine, developed by MLW, welds outside seam of heat exchanger shell. Welding head can handle weldments from 15 ins. to 48 ins. in diameter.

Right—Corrosion-resistant overhead vapor condensers at McColl-Frontenac plant cool and condense oil vapor and steam. Shells are 20% Monel-clad; tubes are 70-30 cupro-nickel.

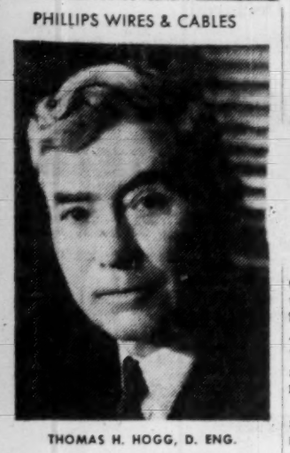
MLW

Thermal Products Division

MONTREAL LOCOMOTIVE WORKS LIMITED

ANNOUNCEMENT

PHILLIPS WIRES & CABLES



THOMAS H. HOGG, D. ENG.

Mr. A. S. Torrey, Chairman of the Board of Phillips Electrical Company Limited, announces the election of Dr. Thomas H. Hogg, as a Director of the Company. Dr. Hogg is a consulting engineer of international repute, and was formerly chairman of the Hydro Electric Power Commission of Ontario. He has served as consultant for the development of power at Calgary and in Manitoba; for the St. Lawrence Waterways and for W. Kootenay Lakes power storage. He is a director of John Inglis Co., Chartered Trust Co., Anglo Canadian Wire Rope Co., British Newfoundland Corporation, Sherritt Gordon Mines and English Electric Co., among others.

LETTER FROM LONDON

By Adelphi

LONDON — That astonishing Canadian, Garfield Weston, is in the news again. He is just about to meet the shareholders of Allied Bakeries when he will tell them that the year under review shows the biggest expansion movement in its history.

His five shilling ordinary shares are giving a yield of little more than 3% at their present price. The market believes, or at any rate hopes, that dividends will rise as the benefits of new acquisitions make themselves felt.

Weston has, of course, plowed back millions of pounds into the business and it is said that he is about to spend a million pounds or more in modernizing the A.B.C. teashops which his group acquired.

In commenting on this the London Evening News gave a short review of his history in which it stated that he first came to London in 1934. Actually he first came to London in 1917 as a Sapper in the Divisional Signallers from Ottawa. He was a pale, slight youth in those days but his appraising eyes took in a lot.

For a time he sat as a Tory in the British Parliament but the tortuous nature of Parliamentary debates made little appeal to his restless nature. That was a long time ago yet he still looks absurdly young and rather wistful. But in the realm of biscuits he is the emperor.

While on the subject of finance and financiers the London Stock Market just now might have as its theme song:

"We don't know where we're going,
But we're on our way."

* * *

Economic Troubles But Little Worry

Everybody agrees that there is something wrong with the national economy but no one seems to know what. There is so high a level of employment that the jobs are chasing the workers, costs are rising too quickly, and at the same time the workers are asking for more and more.

That pensive, scholarly figure, Rab Butler, continues to pilot his emergency budget through its stormy passage to the statute book. The Socialists are throwing punches at all angles, but they know that by the time the next election comes along no one will remember the exasperations of today.

* * *

Sir Winston Churchill has returned from abroad but, so far, has not made an appearance in the House. When he does turn up he will receive a great ovation. Above all things he has that sense of occasion which can raise a debate in one speech from the valley to the mountain top.

* * *

Ministerial Reshuffle Expected By Eden

In the meantime M.P.s are asking when Eden will make the long-expected ministerial reshuffle. Everyone knows that Harry Crookshank, the Leader of the House, is going to the Lords and that the handsome Patrick Buchan-Hepburn (sometimes called "The Ageing Peacock") will accompany him. Yet weeks go by and nothing happens.

Butler's emergency budget is so unpopular that on Wednesday of last week the House sat from 2.30 p.m. to 7.30 a.m. the next day. This is not only hard on the M.P.s but on the waiters, attendants, police and cloak-room staff who have to remain on duty.

The Chancellor may restore his reputation for infallibility but it will take some time. Meanwhile the Socialists are almost a happy band of brothers. For the time being they have actually stopped brawling among themselves — at any rate in public.

* * *

Petulant Peter Acts In Moscow

However, there is one popular figure at the moment although he is not a politician. You have probably heard of Peter Brook who is known as l'enfant prodigue in the British theatre. He is youthful, wistful and boyish but has a kick like a mule when he produces a new play. For a couple of years he was the producer at Covent Garden and even made the leading tenor act.

A few days ago he took an all star British cast to play Hamlet in Moscow. There was a great crowd including the political high-ups, but just as Hamlet was about to begin his famous "To be or not to be" soliloquy an official photographer in the front row set up his tripod to take a photograph.

Peter Brook rose from his seat, grabbed the camera and threw it into the corridor. And there was no picture. So much for Moscow.

* * *

Railway Non-strikers "Sent to Coventry"

On the home front I am sorry to report there is some unpleasant and un-English victimization going on in the ranks of the Trade Unions. You may remember that when the railway strike broke out last spring Prime Minister Eden appealed to the workers to stay on the job. A few hundred did so, to the fury of the strikers.

Today there are probably 300 railway workers who have been "sent to Coventry" by their mates. That phrase "sent to Coventry" is, of course, part of the English language. It means that no one will speak to them on duty or off.

The weeks and months go on but the ban is not raised. Finally the House of Lords had the temerity to raise the matter and debate it. Yet the tone of the debate was subdued. Their lordships did not want to go too far but they did express to some extent the contempt that all decent men must feel for this bullying of the few by the many. I feel certain that Churchill would not have kept quiet if he were still in office.

* * *

Commercial Video Tests Public Taste

That unhappy new venture, commercial television, has had to admit its first acknowledged failure on the entertainment front. At great expense it signed up Sir John Barbirolli and his magnificent Hallé Symphony Orchestra for the peak hour once a week.

Now it is announced that the Barbirolli program is to be moved to a late hour in the evening when most people have gone to bed.

Asked for the reason the Commercial Authorities stated that the public switched off when the orchestra came on. One can applaud the candor while regretting the cause.

Yet the odd thing is that the British piano manufacturers, who have been in the doldrums for years, are now months behind in their deliveries. There is no logical explanation so we shall attempt none.

* * *

It is hard to believe that so short a time ago we were all gripped by the romantic tragedy of Princess Margaret and Group Captain Townsend. The Princess is having a lively time and shows no sign of hieing herself to a nunnery.

* * *

The weather continues to be radiant. Quite definitely something has gone right with the British climate.

Estimate Manitoba Net Farm Income Up $25 Millions

From Our Own Correspondent

WINNIPEG—Preliminary estimates of the provincial department of agriculture indicate Manitoba's net farm income for 1955, namely what farmers have produced less stocks to be held back for seed and feed, will exceed 1954 by at least $25 millions. Last year net production was about $188 millions.

On basis of 52,000 farms in the province the average net income per farm will be about $4,100, $500 more than in 1954.

Unable to market their grain many farmers are in a tight pinch financially. Most seriously caught are young farmers who started two or three years ago with heavy commitments for equipment apart from their land. The situation is also bad in areas of poor crop, namely the interlake area between Lake Winnipeg and Lake Manitoba.

In the mixed farming areas it is much less serious. Apart from cereal grains which were better in yield and quality than last year, other lines of farm production in 1955 have held well up to normal. The dairy industry is up to its $24¼ million yield last year. Revenues from poultry and poultry products haven't decreased. Hog marketings up to mid-November were 32% more than last year but prices are lower. Cattle marketings were down 5.4% but farm revenue from livestock, second biggest producer for the farmers, will not be much off its net $48½ millions by 1954. By end of the year it may be from $½ million to $1 million up or the same amount down.

These production estimate figures are those of the Manitoba Department of Agriculture. The increase over last year doesn't mean an increase in farm income but DBS figures report a Manitoba farm income of $73,363,000 for the first six months of 1955 compared with $67,832,000 for the same period in 1954.

What it has been since June 30 isn't yet known. But Manitoba wheat deliveries since start of the crop year Aug. 1 and up to Nov. 1, were 5,811,000 bu. against 3,343,000 for the same period in 1954. Comparative figures of flax deliveries are 3,016,000 bu. this year, 2,217,000 last.

Deliveries of oats and barley however have only been about half those of 1954.

Specialty crops on the whole have been good. The sugar beet yield has been one of the best in history of the industry.

ANNOUNCEMENT

CANADIAN BANK OF COMMERCE DIRECTOR

SIR ROY H. DOBSON, C.B.E., F.R.Ae.S.

The Canadian Bank of Commerce announces the election of Sir Roy H. Dobson, C.B.E., F.R.Ae.S. of Manchester, England, to its Board of Directors. Sir Roy is Chairman of the Board of A. V. Roe Canada Ltd. and Canadian Car & Foundry Ltd.; Managing Director of A. V. Roe & Company Ltd. and a Director of Hawker Siddeley Group Limited, both of London, England.

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Parlez-vous français?

Maybe **you** don't speak French — but census figures show that more than one-third of all Canadian farm people **do**. To reach them effectively with your business message you have to "talk French" — it's their mother tongue.

To reach them both effectively and **economically**, the up-and-coming French farm monthly La FERME offers you wide coverage, high quality circulation, and a very reasonable line rate.

Concerning quality of circulation, note these facts from the 1955 Canadian Consumer Publications Report by Gruneau Research Limited:

Economic Status of Reader Households:
La FERME — High, above average, and average — 86.5%
Second French farm publication — 84.2%

Readers Who Spend More than $20 per Week for Food for Home Use:
La FERME — 37%
Second French farm publication — 35.5%

Households Spending More Than $300 for Clothing over Past 12 Months:
La FERME — 43%
Second French farm publication — 41%

"Direct Farm Interest" Households:
La FERME — 76.1%
Second French farm publication — 76.9%

La FERME's circulation has been steadily rising; it has gained over 41,000 "net paid ABC" since June 1951. Its June 1955 statement showed 115,788 ABC, and in addition it had over 16,000 "settler subscriptions" (subscriptions for new farm settlers paid for by the Quebec Government) which brought its actual total to 132,438.

Month after month, La FERME's circulation continues the same steady climb . . . reflecting successful editorial policy and high reader acceptance.

***Compare the Circulations — Then Compare the Rates!**

Corresponding figures for the second French farm publication show a loss of over 10,000 since June 1951. Its June 1955 statement shows its circulation at 144,734.

Its advertising rate for 1956 has been announced as $1.65 per line. La FERME continues to hold the line at $1.20.

Is this relatively small difference in circulation worth an additional 45 cents per line? You be the judge!

* La FERME's estimated total circulation, including Quebec Government subscriptions noted above, December 1955 — 141,000.

If you would like further information on the French farm market or the interpretation of the Gruneau Canadian Consumer Publications Report, consult

La FERME

Director of Advertising
Walter G. Blennerhassett
909 Mount Royal St. E.
Montreal—LAfontaine 6-3327

Ontario Manager
George K. O'Brien
47 Dundonald St.
Toronto—WAlnut 2-9147

CCF Backers Fail To Win Ontario TLC

The largest pro-socialist segment within the nonpolitical Trades and Labor Congress of Canada last weekend tried and failed to have the AFL-TLC Ontario Provincial Federation of Labor endorse the CCF.

The CCF supporters missed by an eyelash—the vote was a tie; but the result was still a triumph for the political middle-of-the-roaders who have resisted commitment to one party.

The reasons:

—Led by AFL-TLC Machinists from Toronto's Avro companies, the CCF backers were out in force, making full use of their rights to delegates' seats.

—Only about half the delegate body was present when the vote was called. Among the absent were scores with no interest in tying the Federation to the CCF.

—The CCF faction has worked as never before. They wanted one of Canada's big AFL-TLC Federations to enter the new merged labor congress next year already committed to the CCF. They failed.

It wouldn't have been close if it hadn't been for the Avro Machinists, many of whom are from Great Britain and strong supporters of direct political action.

Failing to link the Federation to the CCF, they were still claiming moral victory

But some observers suggest this year's widespread attempts by CCF supporters to anticipate a decision supposed to be taken by merged labor next Spring may backfire.

Anti-CCF forces—handicapped by the lethargy of their followers—may get a shot in the arm for next Spring's convention. This would come from the resentment of those who have no desire to foot CCF campaign expenses.

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TCA Super Constellation offers *most frequent flights* from Canada. Choice of two services on every flight — super luxury First Class or comfortable, economical Tourist.

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Big reductions on round trips Nov. 1st to March 31st.

2. NEW TCA FAMILY FARES
Only one member of family pays full fare. Tremendous savings for the rest.

3. TCA "EXTRA CITIES" PLAN
Stopover privileges let you see many cities on one TCA fare.

See your Travel Agent, Railway Ticket Office, or TCA Office. TCA direct flights from Montreal or Toronto to London, Glasgow, Shannon, Paris, Dusseldorf — extension flights anywhere.

TCA OFFICES IN TORONTO: National Bldg., Bay & Temperance Sts., Arcade, Royal York Hotel, Lobby, King Edward Hotel, Austin Bldg., 737 Church Street, Conroy Hotel, corner of Lawrence and Dufferin — Reservations Phone: WAlnut 4-4611.

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Published by The Financial Post, Survey of Mines for 1956 provides financial statements, dividend history and an eight-year price range of shares. It includes production records, details of properties and subsidiaries. Names of directors, transfer agents and head office addresses are provided. A comprehensive map section enables you to check on location of properties.

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask and last sale price, instead of high, low and close.

WEEK ENDING NOVEMBER 25, 1955

Range 1955 High	Low	Div. Rate $	Y'ld %	Company	Sales	Last Nov. 18	Week end. Nov. 25 H	L	Close
1.20	1.05			Abitcha Lum.	27300	..	1.20	1.05	1.10
37½	26	1.50	4.2	Abitibi	6015	36¼	36¼	35¼	35¾
37¼	25¼	1.12½	4.3	Do. 4½% pref.	835	26	26¼	26	26
16	8½	.50	4.5	Acadia Atlan.	4065	10½	11¼	10¼	11
107	102	5.00	4.8	Do. 5% pref.	10	105¾	105¾	105¾	105¾
25¼	22½	1.20	5.0	Do. (A)	975	24¼	24	23¼	24
		1.00		Admiral	nil	..	..	35	20
8¼	7	.40	5.2	Agnew Surp.	75	7¾	8	8	8
10	9½	.55	5.8	Do. pref.	nil	..	10	10¼	9½
2.65	1.60			Albt. Dist.	3550	2.05	2.15	1.99	2.15
2.15	1.50			Do. V.T.	3416	1.90	1.85	1.65	1.75
92½	49			Algoma Steel	2830	88	89½	86¼	87
27½	25¼	1.00	3.9	Alum. of Can. p	760	25¾	25¾	25¼	25¾
109¼	104	5.25	5.0	Do. 2nd pf.	135	104.35	104.37½	104.35	104.35
118	69½	2.20		Aluminium	6605	108	109¼	107	108
8	6	.40		Andian Nat.	15	6¼	6	6	6
13¾	12¾	1.15		Anglo Can. Oils	nil	..	12¼	..	12¼
				(Brandon					
55¼	36½	2.00	4.0	Ang. Cdn. Pulp	1075	51	51	50¼	50¼
56½	53	2.80	5.2	Do. pref.	315	55	55	54	54
53	47	2.25	4.4	Ang. Can. Tel. p	nil	..	..	..	51
13¾	10¾	.60	4.9	Ang. Nfld.	4535	12¼	12¼	12	12¼
11	11			Anglo-Scand. Inv.	nil	..	..	..	11
26	21¼	1.20	5.1	Anthes Imp.	340	23¼	23¼	22¾	23¼
1.25	.75			Arcan Corp.	725	.80	.80	.65	.80
26	20½	1.80		Argus Corp.	3350	23	23¼	23	23¼
61¼	52¼	2.40	4.2	Do. 4½% pref.	551	57½	57¼	56½	57¼
32½	32	1.90+stk		Aro Equip.	nil	..	..	..	32½
46½	32½	1.00+2.60		Asbestos	2117	43	42½	41¼	41¾
15½	12¼	.60	4.3	Ashdown Hd. A.	nil	..	13	..	14
16½	13	1.66⅔		Do. (B	470	13¼	13¾	13½	13¾
101	100	4.00+12.00		Assoc. T&TA pf	nil	..	..	..	101
9	8			Atlan. Accept.	300	7	7	7	7
19½	16			Do. pref.	50	17	16	16	16
20¾	13½			Atlas Steels	3737	17¼	17¾	17	17¾
11	8½	.60+*.10		Auto Electric	123	10¼	11¼	10¼	10¾
11	8½	.50	5.0	Do. (A)	nil	..	9½	..	10
5¼	3			Auto Fabric A	100	5¼	5¼	5¼	5¼
5	3			Do. (B)	nil	..	..	4	4½
13	13	.80	5.5	Caldwell Linen	nil	..	..	14½	14¼
25	20½	1.50	6.0	Do. 1st pref.	nil	..	22	24	25
12	12	.80	6.7	Do. 2nd pref.	nil	..	12¼	13	12
108	104½	5.00	4.8	Calgary Pr. 5% p	5	105	105	105	105
5	2¼	.10	2.3	Canada Bread	105	4.30	4.30	4.30	4.30
60	56½	2.50	4.2	Do. pref. B	15	60	59	58	59
43½	33	1.00	2.7	Canada Cement	2151	37½	37½	36¾	37¼
32¾	30	1.30	4.3	Do. pref.	101	30¼	30¼	30¼	30¼
14	9	1.20		Can. Cr. Stone	255	9¼	9¼	9¼	9¼
23½	19¼	1.00	5.2	C. & D. Sugar	7915	19½	20	19¼	19¾
15½	15½	1.80		Can. Floor B	20	15¼	16	16	16
15	13	.40	3.0	Can. Foils	nil	..	13	15	13¼
18	14½	.60+*.02		Do. (A)	nil	..	16¼	16¼	16½
28½	24	1.50	5.8	Can. Forg. A	11	26	26¼	26	26
34½	22½	1.20	5.3	Can. Iron	3216	33¾	34	33	33¾
200	147	14.75		Can. Life	nil	..	165	170	170
14½	8	.50	3.4	Can. Machine	25	14¼	14¼	14¼	14¼
82	65	2.00+1.00		Can. Malting	340	76	78½	76	76
16¼	9	.60	6.3	Can. Nor. Pr.	253	14¼	14¼	14¼	14
41¼	37½	1.50	3.9	Can. Packers A	77	38¼	38¼	38	38
37	33	1.50	4.4	Do. (B)	75	33¾	34	34	34
95	83½	2.60+4.30		Can. Perman.	319	93	93	90	93
105¼	103	4.40	4.3	C. Safeway pf.	355	104	104	103	103¼
41	20	11.00		Can. Steamships	346	35	35¼	32¼	32½
14	12½	.62½		Can. Vinegars	303	13	13¼	12¼	13¼
20	16½	.80+*.35		Can. W. Cord A	nil	..	16½	20	20
8¼	8¼			Do. B	nil	..	..	..	8¼
140	125	4.00	2.9	Can. W. Cable A	nil	..	..	..	138
90	65	3.00	4.0	Do. (B)	154	76½	78	75	75
80	70	1.00*		Canadian Arena	nil	..	..	..	72
9½				Cdn. Bakeries	5	8	8	8	8
48¾	39	1.20	2.7	Cdn. Bk. Com.	4806	44	45	44	44¼
32¾	25	1.25	4.1	Cdn. Breweries	8562	30¾	30¾	29¾	30¼
33¾	28½	1.25	4.1	Do. pref.	655	30¾	30¾	30	30¼
34	27	1.25+*.50		Cdn. Bronze	475	28¼	28¼	28	28
115	105	6.00	4.8	Do. pref.	15	105	105	105	105
39	29½	2.00	5.6	Cdn. Canners	990	33¾	36	35	35¾
30	19¼	.80+*.20		Cdn. Car & Fdy	20	30	29¾	29¼	29¼
30	21	1.00	3.4	Do. pref. A	10	30	29¼	29¼	29¼
29¼	28			Do. Deposite A	nil	..	..	..	29¼
29¼	25¾			Do. Deposite B	nil	..	..	..	29¼
23¼	20	1.60+*.15		Cdn. Celanese	1573	23	23	22¼	22¾
38½	32¼	1.75	4.8	Do. pref. $1.75	175	37¼	37¼	36¼	36¾
22	16½	1.00	4.5	Do. $1 pref.	75	20¼	22	22	22
14¼	6½			Cdn. Chem.	2205	10¼	10¼	9¼	10
14½	3¼			Cdn. Collieries	10065	13¼	13¾	13	13
33½	25¾	.85	2.8	Brit. Amer. Oil	11844	29½	30¼	29¼	30¼
100	92	4.00	4.1	B.C. Elec. 4% pf.	1370	97	97	97	97
106½	103	4.75	4.5	Do. 4½% pref.	215	105¾	106	105	105
54½	52	2.50	4.8	Do. 5% pref.	523	54	54¼	53	54
54½	49¼	2.25	4.4	Do. 4½% pref.	263	51¼	51¾	49½	50¼
53	49½	1.06¼	2.1	Do. 4½% pref.	705	50¼	50¼	49½	50¼
16¾	6¾	1.42½	2.9	B.C. Forest	15975	15¼	15¼	15¼	15¼
20	15¼	.75	4.5	B.C. Packers A	4262	17¼	17¾	17	17¾
13	12	1.00+*.20		Do. (B)	150	14¼	14¼	14¼	14¼
37¼	24½	1.10		B.C. Power	3135	34	34½	33¾	33¾
50½	43½	2.00	4.0	B.C. Tele.	814	49½	50	49½	50
1.00	70			B.C. Turf	nil	..	.85	.90	.90
19	14½	1.50		Brown Co.	7000	16¼	16¼	16	16¼
16	11	1.20	8.0	Bruck S. Mills A	65	13¾	15	14½	15
5½	4			Do. (B)	nil	..	5	5	5¼
47½	39	1.80	4.6	Building Prod.	655	43¼	40¾	39	39¾
30¾	25	1.00+*.50		Burlington Steel	25	30¼	30¼	30¼	30¼
				Burnett Ltd.	nil	..	..	..	22
14	10½			Burns & Co.	3113	11¾	12¼	11¼	12¼
10	7¼	.45	5.0	Burrard D.D. A	300	8¼	9	8¼	9
5	3			Butterfly Hos.	nil	..	..	4	4½
13	13	.80	5.5	Caldwell Linen	nil	..	..	14¼	14¼
25	20½	1.50	6.0	Do. 1st pref.	nil	..	22	24	25
12	12	.80	6.7	Do. 2nd pref.	nil	..	12¼	13	12
108	104½	5.00	4.8	Calgary Pr. 5% p	5	105	105	105	105
5	2¼	.10	2.3	Canada Bread	105	4.30	4.30	4.30	4.30
60	56½	2.50	4.2	Do. pref. B	15	60	59	58	59
43½	33	1.00	2.7	Canada Cement	2151	37½	37¾

Mine and Oil Stocks

Range 1955 High	Low	Div. Rate $	Company	Sales	Last Sale	Week Ending November 25 High	Low	Close
96.50	85.25	...	Do. 4% deb.	19,030	95.00	95.00	93.50	94.00
.79	.32	...	Galtwin	97,375	.58	.63	.44	.48
20.00	19.00	...	Gaspe Cop.	620	31.75	33.00	31.00	33.00
10.75	9.80	...	Geco	2,160	16.87½	17.25	16.75	17.00
.29	.16	...	Gen. Lake	18,050	.16	.15	.13	.13½
.95	.50	.06	Giant Mas.	8,665	.78	.77	.73	.77
9.85	5.50	1.35	Giant Y'ke.	3,155	6.30	6.40	6.00	6.00
2.03	.61	...	Glenn Ur.	113,025	1.20	1.34	1.15	1.30
.94	.51	...	God's Lake	28,625	.54	.65	.58	.59
.59	.23	...	Goldale	31,100	.37	.40	.34	.35
.62	.12	...	Gold Crest	115,100	.27	.32	.25½	.30
.19	.08	...	Gold Eagle	nil	...	.08½	.09	.08
.02	.01	...	Gold Lake	nil	...	.01½	.02½	.01½
4.00	1.66	...	Gold Man.	11,400	3.35	3.40	3.10	3.25
1.33	.35	...	Goldfields	19,100	.45	.50	.38	.45
.79	.18	...	Goldhawk	64,000	.27½	.27½	.24½	.25
.22	.05½	...	Goldora	375,460	.14	.18	.13	.14½
.34	.26	...	Graham B.	4,885	.30	.29	.28½	.29
23.50	11.50	1.50	Granby	300	20.00	19.87½	19.87½	19.87½
.47	.13	...	Grandines	51,500	.27	.28	.24	.25
.47	.40	1.02½	Grandoro	nil	...	.43	...	.43
8.95	4.25	...	Granduc	12,075	6.10	7.10	6.00	7.10
.40	.22	...	Grandview	1,400	.22	1.20	1.20	1.20
.04	.03	...	Great Falls	nil	...	.04	.05½	.03
.78	.10	...	Gui-Por Ur.	4,500	.11	.12	.10	.11
2.44	.90	...	Gulch	108,900	1.45	1.60	1.50	1.51
.40	.07½	...	Gulf Lead	5,500	.16½	.16½	.15	.15
21.50	9.75	...	Gunnar G.	10,920	19.62½	20.00	19.50	19.50
15.00	2.60	...	Do. warr.	8,170	12.25	12.50	11.00	12.00
.36	.09	...	Gwillim L.	24,500	.12	.12	.10½	.10½
3.40	3.00	.20	Hallnor	100	3.30	3.25	3.25	3.25
.12½	.04	...	Hamil	1,500	.05	.06	.05	.06
.22	.10½	...	Hard Rock	13,773	.12½	.12½	.12½	.12½
1.68	.38	...	Harr. Hibb.	137,800	1.40	1.45	1.25	1.39
.29	.17	...	Hasaga	9,000	.18	.21	.19	.21
2.23½	1.12½	...	H'd of Lakes	9,500	.13½	.13½	.13	.13½
3.20	.50	...	Headway	50,300	1.22	1.19	1.06	1.13
.15	.07½	...	Heath	16,000	.08	.08½	.07½	.07½
.09	.04	...	Heva G.M.	6,150	.05½	.05½	.05½	.05½
.85	.42	...	High.-Bell	2,600	.56	.60	.58	.60
25.00	15.25	1.25	Hollinger	6,355	19.87½	20.50	19.75	19.75
9.20	2.60	...	Hoyle	5,350	8.15	8.10	7.85	7.90
70.00	51.25	4.00	Hudson Bay	4,853	64.25	64.75	63.25	63.25
		+11.00						
.19	.05½	...	Hudson R.	nil	...	.08½	.10	.11
.32	20¼*	.02	Hugh Pam.	29,600	.26	.29½	.26	.28
.31	.08½	...	Imperial	1,000	.12	.15	.15	.15
.10	.04½	...	Indian L.	6,500	.09	.10	.06½	.06½
.11½	.02½	...	Indian M.	8,000	.04	.03½	.02½	.03½
2.85	1.21	...	Inspiration	3,860	1.35	1.40	1.35	1.35
66.25	55.00	2.40	Int. Nickel	11,795	78.75	79.75	77.75	79.50
		+1.35						
138.50	133.00	4.75	Do. pfd.	525	134.50	135.00	134.50	135.00
7.00	6.12½	4.75	Do. $3 pfd.	nil	...	6.50	7.00	7.00
22.5	1.10	...	Int. Ranwick	27,550	1.50	1.50	1.10	1.25
3.65	1.95	...	Iron Bay	8,925	3.30	3.35	3.05	3.10
.01	.00½	...	Island Lake	nil	...	.00½	.01	.00½
.70	.25	...	Iso. Uran.	2,600	.30	.30	.28	.28
.48	.24	...	Jackson Bas.	50,400	.27½	.28	.24	.26
.27	.10	1.01	Jack Waite	2,000	.25	.24	.24	.24
		+.00½						
.72	.32	...	Jacobus	7,350	.34	.34	.32	.32
.40	.20	...	Jardun	17,700	.36	.37	.33	.34
.76	.34	...	Jaye	116,050	.60	.66	.55	.64
.70	.31	...	Jeanette	11,650	.33	.34	.32	.33
.22	.22	...	Jeep	nil	...	...	...	.22
.17	.08	...	Jellicoe	20,633	.10	.10½	.10	.10
.38	.09½	...	Joburke	17,500	.16	.18	.14	.15
1.75	.41	...	Joliet Que.	145,150	.96	1.05	.91	.95
.95	.27	...	Jonsmith	35,200	.30	.31	.28	.29
.12	.04	...	Kennuayo	11,000	.06½	.08½	.06	.06
.20	.05½	...	Kenville	nil	...	.08	.09	.08
19.00	15.87½	.80	K.-Addison	5,313	17.75	18.00	17.62½	17.75
.70	.26	...	Kerr Lake	nil	...	.34	.50	.62
.23	.10	...	Keyboycon	62,500	.11	.14	.11	.12
.86	.65	...	Keymet	21,760	.74	.79	.71	.77
4.25	3.50	...	Kilembe	5,000	3.65	3.75	3.50	3.50
1.90	1.60	...	Do. warr.	2,117	1.80	1.75	1.60	1.65
.50	.31	...	Kirk. H. Bay	4,600	.36	.36	.34	.34
.55	.35	...	Kirk. Lake	22,300	.41	.42	.38	.40
.17	.12	...	Kirk. Town	29,500	.17	.19	.16½	.19
.53	.09½	...	Kontiki Lead	24,400	.30	.29	.25	.27
.04	.02	...	Koot. Base	nil	...	.02½	.03	.02½
.33	.13	...	Kristina Cop.	20,100	.13	.14	.13	.13
19.00	8.15	...	Labrador	2,350	16.00	16.00	15.50	150.50
3.90	1.10	...	Lake Cinch.	16,300	3.35	3.40	3.30	3.40
3.35	.75	.02	L. Dufault.	26,473	2.45	2.45	2.25	2.25
.35	.12	...	L. Lingman	12,050	.14	.15	.13	.13
.45	.22½	...	Lake Osu	4,200	.29	.27½	.26	.26
6.35	4.50	1.10	Lake Shore	2,850	4.85	4.80	4.50	4.65
.27	.20	...	Lake Wasa	600	.25	.24½	.24½	.24½
3.25	1.70	.10	La Luz	510	3.00	2.85	2.80	2.85
4.35	3.35	1.25	Lamaque G.	600	3.40	3.45	3.40	3.45
.12½	.04	...	Lavalle	16,000	.07	.07	.06½	.06½
.36	.20	1.06	Leitch Gold	2,900	.70	.73	.71	.72
.25	.08½	...	Lencourt	12,500	.13	.13½	.11	.11
1.10	.15	...	Lexindin	18,300	.36	.41	.30	.30
.30	.08½	...	Lingside	65,000	.15	.15½	.11½	.14
1.75	.61	...	Little L.L.	900	1.10	1.11	1.10	1.10
.15	.04	...	Lopega	9,500	.07	.06½	.06	.06
5.15	1.20	...	Lorado Ur.	187,550	1.38	1.53	1.35	1.36
.66	.15½	...	Louvicourt	16,000	.27½	.29	.27	.27
3.20	.40	...	Lyndhurst	73,700	2.30	2.44	2.15	2.25
.10	.07	...	Lynx Yk.	3,000	.07½	.07½	.07½	.07½
2.13	1.65	1.12	Macassa	5,705	2.00	2.05	2.00	2.02
		+.03						
1.25	.56	...	MacDonald	4,510	.88	.86	.83	.85
.43	.12	...	Macfie	145,750	.39½	.40	.34	.34½
1.06	.39	...	Mackeno	55,200	.42	.45	.40	.43
1.84	1.30	1.10	Macleod	3,600	1.38	1.40	1.36	1.37
2.70	1.60	1.10	Mad. R.L.	26,128	2.60	2.70	2.55	2.60
		+.10						
25½	.08	...	Magnet	39,400	.13½	.16	.13	.15
2.25	1.62	1.15	Malartic G.	2,350	1.80	1.85	1.80	1.84
.09½	.09½	...	Malorite	nil	...	...	...	.09½
1.06	.20	...	Maneast Ur.	57,600	.39	.38	.30	.30
.18	.08½	...	Maralgo	9,675	.11½	.10½	.10	.10
.15	.07	...	Marcus Gold	4,984	.10	.10½	.10	.10
2.95	.75	...	Maritimes	9,700	1.92	1.95	1.80	1.90
.73	.12	...	Do. A warr.	7,350	.19	.20	.15	.15
1.00	.20	...	Do. B warr.	5,000	.52	.60	.52	.53
.42	.06½	...	Martin McN.	15,500	.13	.14	.12	.12½
.35	.32	...	Massberyle	nil	...	...	...	.32
1.40	.14	...	Matachewan	2,500	1.00	1.05	.97	1.05
1.95	.09½	...	Maybrun	133,809	1.57	1.58	1.30	1.35
90.00	67.25	2.00	McIntyre	5,156	80.00	81.25	79.62½	81.25
		+1.00						
.50	.31½	...	McK. R.L.	5,000	.37	.39	.34	.37
.60	.11	...	McMarmac	17,800	.23	.22	.19	.20
.60	.12	...	McWatters	10,900	.38	.38	.35	.35
1.75	.83	...	Mentor Exp.	18,400	1.00	.95	.90½	.95
2.94	.44	...	Merrill Is.	540,970	2.35	2.84	2.25	2.75
1.42	.20	...	Meta. Ur.	360,650	.29	.32	.20	.20½
1.45	.35	...	Minlamar	17,100	.39	.39	.35	.38
25.62½	16.75	1.00	Mng. Corp.	1,942	23.50	23.00	22.50	23.00
		+.25						
.47	.28	...	Min-Ore	20,140	.34	.34	.32	.34
1.31	.39	...	Mogador	11,400	1.10	1.06	1.01	1.02
3.85	2.25	...	Mogul	15,275	3.15	3.25	3.00	3.15
2.70	.80	...	Molyb'nite	13,800	1.50	1.60	1.50	1.50
1.25	.48	.05	Moneta	5,420	.80	.81	.74	.74
2.90	.35	...	Montgary	200	2.15	2.10	2.10	2.10
.09	.03	...	Montpar	7,500	.06	.06½	.06	.06½
2.75	1.40	...	Multi-Min	4,100	1.55	1.60	1.45	1.60
2.78	.80	...	Nama Creek	71,238	1.50	1.75	1.41	1.72
2.72	.65	...	Nat. Ex.	62,900	.74	.76	.65	.67
.34	.18	...	Nello Min.	20,700	.24	.30½	.23	.23
2.54	1.25	...	Nesbitt L.	15,150	1.51	1.65	1.50	1.62
.70	.11	...	N. Alger	39,200	.22	.25	.20	.22
1.80	.42	...	N. Athona	113,283	.67	.95	.67	.75
.43	.21	...	New Bidf'd	13,300	.26	.28	.26	.26
1.45	.50	...	N. Calumet	13,600	1.03	1.05	1.00	1.01
1.34	1.00	...	N. Delhi	87,800	1.01	1.15	1.01	1.02
2.70	1.95	1.10	N. Dick'n	7,150	2.00	2.00	1.95	1.99
.11	.03½	...	N. Formaque	9,000	.07½	.08	.07	.08
.75	.25	...	N. Fortune	87,075	.30	.32	.27	.30
.34	.11	...	N. G'dve	35,300	.29½	.28½	.25	.27
.48	.24	...	N. Har'na	11,683	.28	.31	.27	.30
11.3	.15	...	N. H'ridge	83,275	.50	.60	.45	.55
.60	.21	...	N. Hosco	14,385	.27	.26	.25	.25
.24	.10½	...	N. Jack Lk.	1,100	.16½	.15	.13	.15
.28½	.13	...	N. Jaculet	109,874	.20	.25	.17½	.24
.22	.05½	...	N. Jason	63,615	.20	.21	.15½	.16
.73½	.18	...	N. Kelore	8,000	.22	.25	.22	.22
5.00	4.00	...	New Kirk	500	4.85	4.75	4.70	4.75
.65	.35	...	N. Lafayette	2,500	.40	.40	.39	.39
.22	.06½	...	N. Laquerre	47,900	.11½	.12	.10	.11
.21	.03	...	N. Louvre	24,200	.18	.21	.18	.21
.76	.12	...	Newlund	32,675	.50	.51	.48	.49½
.28	.08	...	N. Marlon	121,050	.08	.12½	.08	.10½
.90	.30	...	N. Minda-S.	5,880	.22	.24½	.22	.24
.40	.17	...	N. M'l'que	27,009	.19	.20	.18	.19
.40	.07½	...	Newnorth	48,100	.13	.14	.10	.10
2.50	.79	...	N. Pac. Coal	9,165	21.1	2.15	1.98	1.94
.24½	.05½	...	N. Rouyn	25,550	.16	.18	.15	.15½
2.16	1.32	...	N. Royran	48,175	1.55	1.63	1.52	1.59
.17	.03½	...	N. Santiago	9,200	.10½	.11	.10½	.10½
.18½	.08	...	N. Senator	59,500	.10	.10½	.08	.08½
.65	.15½	...	N. Taku	4,000	.30	.28	.23	.24
.78	.21	...	N. Thurbois	28,350	.25	.25	.22½	.23
.58½	.03	...	N. Vinray	383,950	.56	.58½	.48	.55
5.25	3.25	...	N.Y. Alaska	nil	...	...	...	5.25
.10½	.05	...	Nib Y'fe	5,500	.06½	.07	.06½	.06½
1.55	1.00	...	Nickel Rim	5,760	1.15	1.20	1.07	1.15
3.10	2.00	...	Nipissing	10,256	2.42	2.38	2.34	2.35
.55	.08	...	Nisto	7,000	.09	.09	.08½	.08½
.17½	.09	...	Noranda	nil	...	...	...	.12
.80	.35	1.01½	Nor-Acme	3,500	.61	.64	.60	.60
62.50	46.00	11.00	Noranda	5,300	52.37½	53.00	51.00	51.25
.93	.15	...	Norgold	18,300	.26½	.27	.24	.25
.16	.09	...	Noriartic	5,150	.10½	.10½	.10½	.10½
8.20	3.45	1.68	Normetal	18,150	7.15	7.25	7.05	7.25
.77	.20½	...	Norpax	52,300	.48	.48	.44	.48
.16	.08	...	North Inca	65,000	.10	.10½	.09	.09½
1.00	.40	...	N. Rankin	12,490	.80	.75	.70	.73
.17	.07½	...	N. Trinity	15,000	.08	.09½	.08½	.09
.73	.40	...	North Can.	4,066	.60	.60	.52	.60
.50	.24	...	N.W. Vent.	17,500	.25	.33	.25	.33
.38	.15	...	Nuclear	nil	...	...	.18	.15
.99	.33	...	Nudulama	8,850	.48	.48	.45	.46
.39	.15	...	Obalski	9,600	.35	.35	.32	.32
.14	.06	...	Obaska	4,000	.08½	.08½	.08	.08½
1.65	.51½	1.02	O'Brien	3,200	.66	.77	.65	.70
.30	.09	...	Ogama Rock	5,500	.09	.13	.11	.11
1.65	.74	...	Oka	2,500	1.00	.95	.81	.81
.60	.22	...	O'Leary	77,700	.35	.36	.30½	.34½
.07½	.03	...	Omnitrans	23,000	.04½	.04½	.04	.04½
10.50	2.30	...	Opemiska	18,230	9.50	9.50	8.80	8.95
.31½	.15	...	Orchan	6,000	.26	.24	.21	.24
.50	.06½	...	Orenda	103,900	.34	.36	.32	.34
.85	.38	...	Osisko	14,900	.50	.52	.48	.51
.23	.11	...	Pac. East	82,100	.14½	.14½	.10½	.10½
.39	.22½	...	Pac. Nickel	1,000	.32	.32	.31	.32
.03	.03	...	Packsack	nil	...	.01	.03	.03
.72	.51	.02	Pamour P.	4,000	.61	.61	.60	.60
1.32	.39	...	Panel	25,300	.33	.56	.50	.55
.13	.06	...	Paramaque	13,000	.09	.09	.08½	.08½
.45	.15	...	Parbec	56,500	.16½	.17	.13	.13
2.05	.70	...	Pardee	43,778	.80	.75	.70	.73
2.90	1.25	...	Pater	12,850	1.45	1.50	1.32	1.45
7.10	5.60	2.20	Pato Cons.	1,335	5.70	5.75	5.50	5.70
.46	.30	...	Paymaster	26,500	.33	.33	.32	.32
6.00	4.25	1.25	Pend Oreille	600	4.40	4.40	4.25	4.25
.42	.20	...	Perron Gold	5,137	.30	.31	.26½	.26½
1.59	1.10	.10	Pickle Crow	28,653	1.10	1.42	1.16	1.40
2.33	1.60	1.10	Pioneer G.	5,100	1.75	2.00	1.75	1.94
.33	.11	...	Pitch-Ore	111,200	.15	.16	.14	.14
.23½	.02	...	Pitt G.	46,900	.16½	.17	.15½	.15½
40.37½	30.25	12.00	Placer Dev.	2,005	37.25	37.87½	36.00	37.50
		+1.00						
.10	.04	...	Porc. Prime	16,500	.07½	.07	.07	.07
.74	.49	...	Powell R.	1,093	.53	.55	.53½	.55
.10	.03½	...	Prem. Bord.	13,000	.06	.07½	.05½	.06
10.25	5.05	.08	Preston E.	11,923	6.90	7.35	7.00	7.05
.04	.02	...	Privateer	1,500	.02	.03	.02½	.03
14.00	5.25	...	Pronto	8,015	9.35	9.40	9.20	9.20
8.50	2.15	...	Do. warr.	3,490	5.00	5.40	5.25	5.40
4.15	2.00	...	Prospectors	4,900	2.30	2.15	2.00	2.15
.50	.10	...	Purdy Mica	18,500	.27	.31	.24	.25
.37½	.11	...	Quatsino	19,900	.31	.37½	.34	.37½
1.94	.15	...	Que. Chib.	161,837	1.50	1.75	1.50	1.74
3.10	1.10	...	Que. Cop.	21,275	3.30	3.50	3.20	3.40
.15	.08½	...	Que. Lab.	22,600	.10½	.10	.09	.10
13.00	11.75	...	Que. Lith.	3,741	14.25	14.25	14.20	14.20
1.60	.70	...	Que. Man.	4,100	1.25	1.17	1.15	1.20
3.85	3.10	...	Que. Met.	25,800	4.35	4.35	4.20	4.30
3.95	1.08	...	Que. Nickel	97,700	3.22	3.37	2.15	2.37
.48½	.06	...	Que. Smelt.	34,600	.27	.28½	.26	.28½
.36	.17	...	Queenston C.	7,200	.30	.30½	.30	.30
30.00	20.25	1.75	Quemont	3,966	27.75	28.37½	28.00	28.00
3.60	.94	...	Radiore	13,550	1.47	1.50	1.42	1.48
5.40	.75	...	Rayrock	27,425	1.78	1.75	1.70	1.70
.06½	.01½	...	Red Cloud	nil	...	.03½	.04	.04
.29	.02½	...	Red Crest	99,200	.16½	.15½	.08	.08½
.08½	.02	...	Red Hawk	nil	...	.03½	.05	.04
2.50	1.25	...	Reeves McD.	400	2.15	2.15	2.15	2.15
.31	.04½	...	Regcourt	92,500	.16	.17	.14	.14
2.75	2.40	1.20	Renabie	300	2.65	2.65	2.64	2.65
1.07	.40	...	Rexspar	62,200	.44	.63	.40	.60
.04½	.01	...	Rice Lake	nil	...	.02	.03½	.03
.29	.23	...	R.-Rupununi	21,631	.27	.27	.23	.26
1.90	.85	...	Rix-A'basca	13,200	.95	.95	.85	.88
.78	.15	...	Roche L.L.	24,400	.16½	.16	.15	.15½
1.25	.35	...	Rockwin	24,420	.40	.40	.35	.37
2.55	.11	...	Rowan Con.	14,033	.15	.15½	.15	.15
.19	.09	...	Ryanor	nil	...	.11½	.14½	.13
2.20	1.25	.06	San Antonio	6,806	1.40	1.40	1.28	1.31
.35	.12	...	Sand River	17,500	.14	.14	.14	.14
...	...	...	Scotia Gold	nil	...	...	...	.01½
...	...	...	Shawkey '45	2,200	.08½	.08½	.08½	.08½
.16	.08	...	Sheep Creek	4,300	1.30	1.30	1.30	1.30
1.60	.75	...	Sherritt G.	39,021	7.80	7.80	7.45	7.75
10.25	4.80	...	Sigma Mines	200	5.30	5.20	5.15	5.15
5.50	4.85	...	Silanco	38,300	.24	.24½	.18	.21
.30	.10½	...	Silbak Prem.	4,525	.12	.11	.08	.11
.31	.05½	...	Steeloy	38,100	.14	.14½	.11	.11
14.87½	7.60	...	Steep Rock	23,636	13.75	13.87½	13.50	13.62½
.84	.12½	...	Sturgeon R.	91,625	.85	.70	.60	.70
.55	.15	...	Sudbury C.	41,050	.16½	.16½	.15	.15½
8.25	5.10	1.18	Sullivan C.	5,450	5.85	6.00	5.75	6.00
		+.02						
.50	.24½	...	Sunshine	10,836	.29	.34	.30	.34
.13½	.07½	...	Surf. Inlet	nil	...	...	.09	.08
1.90	1.30	.08	Syivanite	13,975	1.31	1.35	1.30	1.35
.25	.07	...	Tache Lake	11,000	.19	.19	.17	.17
.20	.07½	...	Tandem	11,500	.10½	.11	.10	.10½
.46	.20	...	Taylor B.	3,800	.28	.28	.26	.26
.18	.08½	...	Tazin	3,500	.09	.09	.08½	.09
4.90	2.50	.15	T.-Hughes	8,100	2.70	2.70	2.60	2.61
2.40	1.96	...	Temagami	8,500	2.05	2.07	1.96	2.00
2.81	.15	...	Thompson	29,965	1.75	1.85	1.67	1.77
2.75	1.10	...	Tiara	27,833	.63	.63	.60	.63
.40	.04½	...	Tiblemont	4,000	.14	.12½	.09	.12½
.59	.24	...	Tombill	9,200	.32½	.35	.33	.35
1.48	.90	1.08	Torbrit S.	1,200	1.10	1.05	1.00	1.05
.18	.08	...	Towagmac	5,000	.14	.16	.14	.14
.48	.32	...	Trans. Res.	10,600	.40	.41	.40	.40
.85	.59	...	Travers L.L.	nil	...	...	...	.70
.30	.10	...	Trebor	17,000	.17	.19½	.16	.17
.45	.10	...	Uddlen	9,000	.29	.29	.26	.26½
.33	.21	...	Union Min.	8,000	.26	.25½	.23½	.25½
9.60	4.80	...	Un. Ash.	4,650	7.25	7.30	6.95	7.00
.91	.44	...	Un. Estella	32,580	.49	.50	.44	.49½
9.00	6.50	1.40	Un. Keno	1,350	6.75	6.90	6.60	6.90
.75	.28	...	Un'd Mont.	50,000	.30	.33	.27	.31
1.37	1.00	1.02½	Upper Can.	5,100	1.00	1.04	1.00	1.02
.02½	.01½	...	Utica	nil	...	...	...	.02½
2.15	.35	...	Valor	59,200	.41½	.42	.35	.38
.63	.01	...	Van'da '48	nil	...	...	.02½	.02½
48.00	19.87½	.30	Ventures	3,725	39.00	40.00	37.87½	39.50
.72	.06½	...	Vicour	31,100	.28	.28	.23	.25
4.00	1.75	...	ViolaMac	5,550	3.15	3.00	2.90	2.90
2.25	.67	...	Virginia	34,050	2.05	2.10	1.95	2.10
17.00	11.75	1.40	Waite Amu.	1,605	15.50	15.75	15.25	15.50
.58½	.23	...	Weedon P.	223,100	.39	.49	.37	.47
.16½	.04½	...	Wendell	74,500	.08½	.09	.07	.07
.84	.46	...	West. Ex.	nil	...	.46	.58	.48
.16½	.04½	...	West Maj.	5,000	.09	.09	.06½	.06½
1.00	.49	...	W. Potash	5,650	.67	.68	.63	.67
.29	.02½	...	Westville	25,504	.15½	.15	.12	.12½
3.60	1.90	...	Willroy	7,375	2.60	2.85	2.51	2.55
.15½	.07	...	Wiltsey C.	22,500	.11	.11	.10½	.10½
.13½	.06	...	Winchester	40,030	.09	.12	.08	.08½
.82	.06½	...	Windw'd	88,700	.33	.32	.25	.30½
.08½	.02	...	Wpg. R. Tin	4,000	.05½	.05	.05	.05½
2.60	1.85	.12	Wright-Har.	17,195	1.85	2.10	1.86	1.98
.70	.39	1.02	Yale Lead	3,000	.46	.48	.46	.46
.25	.07	...	Yellorex	21,200	.16	.15	.13	.13
2.57	1.40	1.07	Y'ke Bear	106,115	1.95	2.10	1.90	2.09
.19	.10	...	Yukeno	10,700	.10	.13	.10	.10
.68	.51	.06	Yukon Con.	4,100	.60	.61	.59	.61
1.37	.20	...	Zenmac	29,766	.28½	.30	.28	.30
.74	.30½	...	Zulapa	1,550	.38	.41	.36	.36

Oil Stocks

Range 1955 High	Low	Div. Rate $	Company	Sales	Last Sale	Week Ending November 25 High	Low	Close
.22	.15	1.01	Acme G&O	2,600	.20	.18	.18	.18
1.01	.58	...	Ajax	4,300	.73	.73	.71	.72½
.07½	.03½	...	Albedina	nil	...	.04	.06	.06
1.23	.75	...	Albermont	11,244	.77	.85	.75	.78
.39	.19	...	Do. warr.	3,600	.20	.21	.19	.21
.90	.20	...	Alta. P. C.	2,525	.32	.31	.28	.31
.05	.02½	...	Aldina	nil	...	.04	...	.02½
.44	.20	...	Altex	3,500	.23	.25	.22	.22
2.60	.75	...	Am. Leduc	165,755	1.05	1.05	1.02	1.03
9.00	5.50	...	Amurex	100	6.35	5.50	5.50	5.50
.16	.06	...	Anchor	15,500	.08	.08	.07	.07½
19.25	12.25	...	Anglo-Am.	2,425	15.00	14.75	14.25	14.25
6.25	4.70	1.15	Anglo Can.

DIVIDEND NOTICES

THE TORONTO-DOMINION BANK

EXTRA DISTRIBUTION

Notice is hereby given that an Extra Distribution of **Twenty Cents** per share on the Paid-Up Capital Stock of the Bank has been declared for the year ended the 31st October, 1955, payable at the Head Office and Branches of the Bank on and after the 15th December, 1955, to shareholders of record at the close of business on the 15th November, 1955.

By Order of the Board.

WM. KERR,
General Manager.

November 3, 1955.

EDMONTON CONCRETE BLOCK CO. LTD.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of twelve cents (12c) per share has been declared on the outstanding common shares of the Company, payable on December 15th, 1955, to shareholders of record at the close of business on December 1st 1955.

By Order of the Board,

P. L. P. MACDONNELL,
Secretary.

NATIONAL STEEL CAR CORPORATION LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of thirty-seven and one-half cents (37½c) per share has been declared for the quarter ending December 31, 1955, payable on January 16, 1956, to shareholders of record at the close of business December 15, 1955.

By Order of the Board.

By Order of the Board.

J. PLUMPTON,
Secretary.

CASTLE-TRETHEWEY MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 5

Notice is hereby given that a dividend of fifteen cents (15c) per share in Canadian Currency will be paid on December 28th, 1955, to shareholders of record at the close of business on December 1st, 1955.

By Order of the Board.

F. T. McKINNEY,
Secretary.

Dated at Toronto,
November 21st, 1955.

FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

NOTICE OF DIVIDEND NO. 81

Notice is hereby given that a dividend of Thirty-seven and One-half Cents (37½c) per share has been declared for the quarter, ending December 31st, 1955, on all issued common shares of the Company, payable on December 28th, 1955, to shareholders of record at the close of business on December 2nd, 1955.

By Order of the Board.

A. MacCUNN,
Secretary.

TORONTO, November 21st, 1955.

CHARTERED TRUST COMPANY

DIVIDEND NO. 148

NOTICE IS HEREBY GIVEN THAT A DIVIDEND of 35c per share has been declared on the paid-up Capital Stock of the Company for the Quarter ending December 31st, 1955, payable January 3rd, 1956, to shareholders of record at the close of business December 15th, 1955.

By Order of the Board.

H. E. LANGFORD,
Managing Director.

Dated at Toronto,
November 16th, 1955.

THE ONTARIO LOAN AND DEBENTURE COMPANY

274th DIVIDEND

Notice is hereby given that a Quarterly Dividend of 25c per share on the present paid-up Capital Stock of this Company for the three months ending 31st December 1955 has been declared and the same will be paid on or after the 3rd January 1956 to Shareholders of record at the close of business on the 15th December 1955.

By Order of the Board.

F. E. A. McKELLAR,
Manager.

London, Ontario,
November 22nd, 1955.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and Seventy-eighth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending November 30, 1955, on the Preference Shares of the Company, has been declared payable January 3, 1956, to shareholders of record the 9th day of December, 1956.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
November 10, 1955.

MADSEN RED LAKE GOLD MINES LIMITED

(No Personal Liability)

67 Yonge St., Toronto

DIVIDEND NO. 27

NOTICE is hereby given that a dividend of 5 cents per share plus a bonus of 10 cents per share has been declared by the Directors of Madsen Red Lake Gold Mines Limited (No Personal Liability), payable in Canadian Funds on December 22nd, 1955, to shareholders of record as of December 2nd, 1955.

By Order of the Board,

M. MASTERSON,
Secretary-Treasurer.

Toronto, November 22nd, 1955.

DIVIDEND NOTICES

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF 287th DIVIDEND

A quarterly dividend of fifty cents per share has been declared payable on the 16th day of January, 1956 to shareholders of record at the close of business on the 15th day of December, 1955.

Montreal, Nov. 23, 1955.

S. C. SCADDING, Secretary

CANADIAN VICKERS LIMITED

COMMON SHAREHOLDERS

Notice is hereby given that a regular quarterly dividend of thirty-seven and one half cents (37½ cents) per share on the 545,000 shares outstanding has been declared and will be paid on the 16th day of January 1956 to shareholders of record at the close of business on December 31st, 1955.

J. B. HATCHER,
Secretary.

Montreal,
November 21st, 1955.

LEVERAGE FUND OF CANADA LTD.

Dividend No. 24

Notice is hereby given that a dividend of FOUR CENTS per share has been declared on the outstanding Common Shares of the Capital Stock of the Company, payable on 15th December 1955, to Shareholders of record at the close of business on 30th November 1955.

Holders of Bearer Share Warrants may present Coupon No. 24 for payment to any branch in Canada of the Royal Bank of Canada, on and after 15th December 1955.

By Order of the Board.

W. Howard Wert, C.A.
Secretary-Treasurer.

Montreal, 22nd November 1955.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December 1955.

Notice is also hereby given that a dividend of Thirty-Five Cents (35 Cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December 1955.

The above dividends will be paid on Monday, the 16th day of January 1956, to shareholders of record at the close of business Friday, the 30th day of December 1955.

By order of the Board.

F. N. DUNDAS,
Secretary.

Montreal, 23rd November, 1955.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Thirty Cents (30¢) per share in Canadian currency and an extra dividend of Fifty Cents (50¢) per share in Canadian currency on the outstanding Common Shares of the Company have been declared payable December 15, 1955, to shareholders of record at close of business November 25, 1955.

By Order of the Board.

A. M. HENDERSON,
Secretary-Treasurer.

Montreal,
November 15, 1955.

MacMILLAN & BLOEDEL LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that dividends, in the respective amounts per share set out below, have been declared payable December 31st, 1955, to shareholders of record at the close of business December 9th, 1955, on the following outstanding shares of:

MACMILLAN & BLOEDEL LIMITED

Class "A" — .12½c per share
Class "B" — .20c per share

The Transfer Books will not be closed.

Dated at Vancouver, B.C., this 22nd day of November, 1955.

By Order of the Board.

G. D. ECCOTT,
Secretary.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the dividends listed below on the Company's CUMULATIVE REDEEMABLE PREFERRED SHARES for the quarter ending 31 December 1955 payable on 3 January 1956 to shareholders of record at the close of business on 7 December 1955. In respect of shares represented by any share warrant, the said dividends will be payable on or after 3 January 1956 at any branch of The Royal Bank of Canada in Canada on presentation of the respective dividend coupons listed below:

Series	Coupon No.	Dividend per Share
4%	35	$1.00
4¼%	2	$0.53½
4½%	5	$0.57
4¾%	29	$1.18
5%	13	$0.63

The transfer books will not be closed.

By Order of the Board,

G. G. WOODWARD,
Assistant Secretary

Vancouver, B.C.,
November 3, 1955.

Market Comment

What stocks and bonds are doing and what prominent observers say

From stock market standpoint top Canadian news development in recent days has been Washington approval for large-scale imports of Canadian natural gas into the U. S. Pacific Northwest. The firmly established position of Canadian gas in one of the fastest-growing market areas in the U. S. has tremendous significance for the Canadian gas and oil industries.

It will lead to a second wave of gas and oil exploration in Northern B. C. and Alberta; it will mean new chemical growth in B. C. based on the plentiful supplies of natural gas byproducts.

Although market response of stocks of several of the Canadian oil and gas companies most affected by the Washington ruling has been disappointing so far a broadening trading interest is almost certain to firm such issues as Pacific Petroleums, Peace River Gas, Canadian Atlantic Oil before long.

Speculative interest continues at very low levels in Canadian markets and many brokerage officials are now doubting a resumption of the hot speculative pace in mines and oils until after the turn of the year.

* * *

R. A. DALY; R. A. Daly & Co. (Toronto)

I do not expect any big upsurge in the stock market over the next few months. I would anticipate a fairly quiet stock market where some stocks will sell off under pressure of profit taking and where other stocks will rise due to improving conditions for the companies concerned.

A conservative approach to the stock market is indicated due to the rapid rise of common stocks over the past two years and due to the Bank of Canada's desire to slow down the boom by making money tighter. Increasing interest rates cause bond prices to decline and also have a depressing influence on the stock market.

Speculative trading has declined sharply from earlier in the year. On the other hand, the present quiet state of the stock market affords an opportunity for investors to review their portfolio of stocks and bonds. Bond holdings should be concentrated in those issues which will be relatively stable in case bond prices continue to decline. Common stocks should be examined with a view to investing in those stocks which appear to offer the best investment value.

Stocks such as Dominion Textile and Massey-Harris, which have been depressed for some time, and which are selling well below their previous highs, could do very well over the next few years.

* * *

DAVIDSON & CO. (Toronto)

There were two items of constructive market news last week both of which had been long awaited and both of which fell rather flat when announced. One was the break-through of the Rails at New York to a new peak which by Dow theory confirmed the major uptrend of stock prices. The other was the decision of the U. S. Federal Power Commission to permit the import of natural gas from Canada into the U. S.

The New York Rails had made a double top, in June and September, during which interval the Industrials had made a new high by 20 points Last Friday the Rails finally confirmed. On Monday the market opened higher on week-end accumulation of orders but closed lower on the day. This contrary action has occurred with some frequency in recent years but has not entailed declines of any consequence. The Toronto Industrials which had been falling steadily behind the Dow Jones Industrials showed better action than New York and closed the gap slightly.

One of the main reasons for the greater strength at New York in recent weeks has been the general expectation that income taxes would be reduced in 1956 which is election year. It is probable that 1957 will be election year in Canada and tax reductions here may be postponed until then.

The increase in money rates has had only a minor effect on stock prices and virtually no effect on materials which are in short supply and for which consumers are bidding up prices. The higher interest rates are intended to restrain this competitive bidding in so far as it might be done with borrowed money, on the grounds that such borrowing and buying is inflationary. Private borrowing is only inflationary, however, until the sums borrowed are repaid. It does not cause true inflation as does the borrowing by governments which is only repaid after a lapse of many years, if ever.

The increased bank rate may have some effect, as hoped, in curbing the rise of mortgage and installment debt. It seems unlikely to have much effect on the capital spending which is projected for next year. Business does not plan its expansion on the basis of the fluctuating interest rates of the moment but on what the rates are likely to be.

Since the belief is firmly entrenched that the monetary authorities will go very warily now that the candidacy of President Eisenhower, who is symbolic of business confidence, is in doubt, business expects that long-term interest rates will be stable or lower. If the bank rate should rise a little more in the months ahead we would still expect only a moderate effect on business spending. The prospect of heavy capital expenditures as much as current high earnings, is responsible for the strength of the averages in the face of moves which superficially would be classed as bearish.

Many industries are working at capacity and further output expansion will be negligible until new facilities come into operation. Steel, aluminum, nickel and copper are the areas of greatest shortage. The present tendency toward substituting one metal for another makes scarcities pervasive and spreads them from one industry to another. The bull market does not appear to be over in raw materials or in stock prices but in both categories we can expect a good deal of irregularity.

DIVIDEND NOTICES

SWITSON INDUSTRIES LIMITED

DIVIDEND NOTICE

Dividend No. 11

Notice is hereby given that a new regular quarterly dividend of 6c per share has been declared on the common shares of the Company to be payable on Friday, December 30th, to shareholders on record at the close of business on Thursday, December 15th, 1955.

By Order of the Board.

W. T. GUNNING,
Secretary.

Welland, Ontario,
November 28, 1955.

BIRD CONSTRUCTION COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Sixty (60c) Cents per share as previously declared and a Dividend Bonus of Forty (40c) Cents per share on the Company's outstanding Common Shares, will be paid on December 31, 1955, to Shareholders of record on the books of the Company as at the close of business December 15, 1955.

By Order of the Board.

JOHN LAWRIE,
Secretary-Treasurer.

Winnipeg, Manitoba.
Nov. 24, 1955.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA

DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common Stock of the Company payable on the 31st day of December, 1955, to shareholders of record at the close of business on the 15th day of December, 1955.

By Order of the Board,

JACK L. MacDONALD,
Secretary.

Winnipeg, Manitoba,
21st November, 1955.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of Sixty-five Cents per share on the paid-up Capital Stock of the Corporation for the current quarter, and an extra Dividend of Ten Cents per share have been declared, and that both Dividends will be payable Tuesday, the Third day of January next, to Shareholders of record at the close of business on the Fifteenth day of December, 1955.

By order of the Board.

J. W. ROSE, JR.,
Secretary.

Toronto, November 23rd, 1955.

YALE & TOWNE DECLARES 271st DIVIDEND 75¢ PER SHARE

On Nov. 22, 1955, dividend No. 271 of seventy-five cents (75¢) per share was declared by the Board of Directors out of past earnings, payable on Jan. 3, 1956, to stockholders of record at the close of business Dec. 9, 1955.

F. DUNNING
Executive Vice-President and Secretary
THE YALE & TOWNE MFG. CO.

Cash dividends paid in every year since 1899

ENAMEL & HEATING Products Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 10c per share has been declared on the issued and outstanding capital stock of the Company, payable on January 31, 1956, to shareholders of record at the close of business, December 31, 1955.

By Order of the Board of Directors,

A. R. FRENCH,
Secretary-Treasurer.

Sackville, N.B.
November 21, 1955.

DIVIDEND NOTICES

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared payable December 27th, 1955 to shareholders of record December 1st, 1955.

$1.12½ per share on 4½%—$100 par value Cumulative Redeemable Preferred Stock for quarter ending December 31st, 1955.

$ .62½ per share regular quarterly dividend on no par value Common Stock for quarter ending December 31st, 1955.

By order of the Board.

K. J. DOIG, F.C.I.S.
Secretary-Treasurer.

Montreal, Quebec,
November 24, 1955.

NOTICES

ANNUAL MEETING NOTICE

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its Head Office, 25 King Street West, Toronto, on Tuesday, the 13th day of December next.

The chair will be taken at eleven o'clock a.m., Eastern Standard time.

By order of the Board,
N. J. McKINNON
General Manager
Toronto, 30th September, 1955

Miller's Tale: Export Dilemma

Freight Rates and Weston Deals Pose Problem

There may be pretty slim pickings for Canadian flour millers during the next few months in their biggest foreign market—the United Kingdom.

The reasons: a recent U. K. deal involving the Garfield Weston-controlled Allied Bakeries and two of Britain's biggest millers, Ranks Ltd. and Spillers Ltd. And a hike in ocean freight costs which could work against the competitive position of Canadian flour.

While no official figures are available, several sources here estimate Allied Bakeries, the largest baker in the U. K., has been taking 20% to 25% of total U. K. flour imports from Canada.

An official of one large Canadian milling company hastened to add, however, the situation was "anything but hopeless."

He said with the exception of sales to Allied Bakeries, his firm was exporting to the U. K. at the normal rate and added he thought the Allied's agreement to buy U. K. flour could prove "a temporary measure; "I don't think the door is closed."

Under the agreement, Allied Bakeries will take fixed quantities of flour from Ranks and Spillers on a three month basis, while the millers will grant a special discount of two shillings on a 280 lb. sack. In the past Allied bought flour from Canada and blended it with English flour. It also bought flour from Australia and, it is understood, was importing about 50% of total requirements.

Should the deal prove permanent, Allied's requirements for Canadian flour will be limited to small amounts for specialty uses. It will still be using Canadian wheat, to the extent it is used in the flour bought from U. K. millers.

One official here, however, expressed the belief that the deal may not prove so satisfactory in the long run. British milled flour, made from blended and predominately soft wheat, may not prove as satisfactory for baking purposes as its Canadian counterpart which is milled from 100% Canadian or hard wheat. In addition there is the possibility that other British bakers who do not enjoy the special discount granted to Allied, may voice objections, thus forcing a new arrangement.

Ocean Freight Rise

On the transportation scene, the cost of moving flour across the Atlantic has gone up 15c per hundred pounds this year, and 54% from the October, 1954 level. A further three cent increase, bringing the ocean freight rate to 60c per cwt. is scheduled for January.

One reason for the increases is said to be the greater volume of coal shipments moving across the Atlantic to the U. K. and consequent shortage of bottoms for bulk cargoes.

Also to be contended with is the seasonal increase in the cost of moving flour. Even though ocean freight rates are identical between Montreal or Halifax and the U. K., in the winter time, the price to U. K. buyers includes the extra cost of moving flour from the mill to Halifax instead of just to the Montreal docks.

For the Canadian flour industry, this is a hard blow. Mills already are operating well below capacity in most cases, and exports have been dropping in the past two years. During the past year, foreign competition has made inroads into the U. K. market at the expense of Canada. There have been increased shipments from Australia, France, U. S.

Imports Drop

Total imports of flour into the U. K. in September, 1955, amounted to 221,071 bbls. from Canada compared with 290,675 bbls. in the same period last year. Imports from Australia rose to 75,565 bbls. (33,515); from the U. S. to 28,937 bbls. (21,529).

In the 12 months, ended Aug. 31, 1955, Australia gained some 600,000 bbls. in that market, U. S. was up 156,000 bbls. France gained 63,000 bbls.

In the same period U. K. imports from Canada were 2,974,000 bbls., down from 3,568,000 bbls. in 1954.

Total U. K. imports for the 12 months ended August of this year, amounted to 4,186,000 bbls. against 4,302,000 bbls.

During the Government control over the British milling industry, everyone paid the same price for flour. When controls were removed, Allied Bakeries sought special discounts related to the volume of its purchase of flour. When Ranks and Spillers refused, Allied turned to Canada for some of its supplies.

There were other bakery groups which followed their example and the milling industry in Britain was hit fairly hard. A temporary truce agreement was reached in September between Allied and Ranks and Spillers.

Stop Expansion?

As well as the special discount, one source said rumor had it that the Weston group also received assurance from Ranks and Spillers that they would discontinue buying other bakeries. After the end of government controls in 1953, a number of small bakeries were absorbed by the large millers to try to build up their markets and also to compete with Allied.

Meanwhile Canadian production of wheat flour in September has dropped some 7% to 1,792,384 in September from 1,931,984 bbls. in the same period the previous year. Wheat milled for flour in September fell to 8,039,098 bushels from 8,594,018.

Wheat exports in September amounting to 767,952 bbls. bring August - September export to 1,360,986 bbls. against 1,561,260 bbls. for the same period last year.

New Highs and Lows

During the week ended Nov. 26, 20 new highs and 17 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were nine new highs and 36 new lows. In western oils there were four new highs and 11 new lows.

GENERAL

New Highs—1955

Br. Am. Bk. Notes	Jam. Pub. Ser. pf.
Celtic Knit	Lang, J. A.
Dom. Textile	Lindsay, C. W.
Donnell & Mudge	Molson Brew. B
Electra Invest.	N. West Util. pfd.
For. Pr. Secs. Stmpd.	Switson Ltd.
Gt. West Coal A	West. Can. Brew.
Do. B	Weston, G. A
Gurney Prod.	Do. B
Int. Mill. pfd.	Wilson, J. C.

New Lows—1955

Arcan Corp.	Cockshutt Farm.
Atlan. Accept. pfd.	Consumers Glass
Brazil. Trac.	Kelvinator
Do. pfd.	Laur. Accept. wts.
B.C. Elec. 4½% pfd	Paul S. S.
Building Prod.	Regent
Can. & Dom. Sugar	Russell
Can. Safeway pfd.	Wain.
Cochrane-Dunlop	

MINING

New Highs—1955

Alba	Merrill Isle
Arcadia	New Louvre
Aumaque	New Vinray
Chib-Kayrand	Quatsino
Madsen R. Lake	

New Lows—1955

Atlas Sulphur	Indian
Bagamac	Int. Ranwick
Barvue warr.	Jackson Bas.
Bethlehem Cop.	Kilembie
Black Bay	Do. warr.
Brunsman	Lake Shore
Burnt Hill	Meta Ur.
Carnegie	Nat. Explor.
Chimo	New Senator
Cody-Reco	Pardee
Conro	Rio-Rupununi
Cons. Den. warr.	Rix-Athabasca
Cons. Marbenor	Roche L. L.
Cons. Que. Yell.	Rockwin
Cons. Red Pop.	San Antonio
Desmont	Sudbury C.
Duvan	United Estella
Heath	Valor

OILS

New Highs—1955

Con. Decalta warr.	Nat. Pet.
Merril Pete.	Northland

New Lows—1955

Albermont warr.	N. Springer Coulee
Amurex	Rio Palmer
Cdn. Fortune	Share Oils
Castle	West. Naco
Liberal	Do. warr.
N. British	

Manitoba Farmers Have Cash in Kitty

From Our Own Correspondent

WINNIPEG — Municipal tax payments in Manitoba for 1955 don't prove that farmers of the province are in desperate financial straits because of inability to sell their grain.

Not including the four incorporated cities of Winnipeg, St. Boniface, Brandon and Portage la Prairie, tax collections in towns, villages, suburban and rural municipalities up to Oct. 31 were about $2 millions more than for the same period in 1954.

In rural municipalities collections are up 7.38% and 71.95% of the total rural levy of $13,726,787 was paid a month ago. In villages they are up 3.12% and in towns 4.66%. Only in the suburbs are tax receipts below last year, down 5.06%, but in the suburbs 95.69% of the total 1955 levy has been paid.

For all municipalities, except the four cities, 79.18% of 1955 tax bills are paid. Total levies for the year, $23,562,843, are $2,093,714 more than in 1954, about the increase of this year's collections. The tax picture is shown in figures of the province's municipal audit branch submitted to Municipal Affairs Minister Edmond Prefontaine.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Oil Production

CENTRAL LEDUC OILS reports its Central Del Rio 14-6 oil discovery in the Ralph area of Saskatchewan marks a "milestone in the history of your company's progress." Central has been enjoying a 50% interest in productive wells in this area with nine producers reported to date.

Gross profit from operations is reported at $431,690 for the year ended July 31, 1955, as against $471,712 a year earlier. After general expenses, $83,639 interest and $162,859 of write-offs, there was a net loss of $63,911 as against $51,915 a year earlier. There was a net loss of something over $60,000 on securities transactions during the year and $5,560 was also written off for bond discount through surplus account.

Several discoveries have been made on the extensive properties of Minerals Ltd., in southeastern Saskatchewan and a 25% stock interest is held by Central Leduc.

During the 1955 fiscal year, Central Leduc dropped 573,000 acres in B. C. reducing holdings there to 581,452 acres which are being carried by cumulative rental credits.

Central has a sixth interest in 28,248 acres in North Dakota. A first "free" well on this acreage proved unproductive but a second well is to be drilled in the near future.

CONS. INCOME ACCOUNT

Years Ended July 31:	1955	1954
PUrod'n rev.*	▲$230,231	▲$243,196
Less: Prod'n exp.	24,728	28,585
Add: Roy. rev. (net)	58,625	69,776
Drill. rev.†	63,128	85,305
Other rev.	104,433	101,820
Total net rev.	431,689	471,712
Less: Admin. & gen. exp.	249,102	327,058
Debent. int.	83,639	83,295
Depreciation	90,294	103,886
Amortization	72,565	7,388
Net loss & deficit	63,911	51,915

*Includes net proceeds of production of $112,767 in 1955 and $109,415 in 1954 from partially-owned wells.
▲After royalties paid.
†After drilling expenses of $327,731 in 1955 and $376,061 in 1954.

CONDENSED CONS. BALANCE SHEET

As at July 31:	1955	1954
Cash	$278,754	$350,773
Accts. rec.	96,402	173,372
Mark. sec.▲	223,000	320,187
Drill-constr. in prog.	86,146	23,321
Inventories	134,021	129,623
Total curr. assets	820,323	997,376
Prepd. exp.▲	23,543	24,812
Invests.	27,500	27,500
Deferred chgs.	66,599	73,260
Wells invest.†	885,381	819,436
Lands & leases	1,185,223	1,127,687
Adv. to aff. cos.	28,750	28,750
Plant & equip.*	239,953	274,848
Total assets	3,277,272	3,373,671
Total curr. liabs.	134,649	138,939
Debentures	1,668,000	1,698,000
Capital stock	1,213,202	1,213,203
Surplus	261,421	323,529
▲Market value	294,875	359,425
†After amort. of	721,615	649,050
*After depr. of	607,576	527,628
Working capital	685,674	858,439

•Incl. in curr. assets in co's report.

Contingent liability — Under agreement dated Dec. 1, 1951, between co. and Trans Mountain Oil Pipeline Co., Central Leduc agrees to bear 1.25% (being 1/100 of 1% for each 100 shares subscribed) of any deficiency suffered by Trans Mountain during five-year period commencing Jan. 1, 1952.

Grain Prices

Winnipeg Futures

Week to Nov. 28, 1955

Crop year from Aug. 8, 1955 High	Low		High for week	Low for week	Close Nov. 28
Oats—					
.74⅞	.67¼	Dec.	.74⅛	.72⅛	.72⅜
.72⅛	.67	May	.72⅛	.69⅝	.70⅜
.71¼	.68	July	.70⅜	.68	.68¼
Barley—					
1.00¼	.90¼	Dec.	.97⅜	.97	.97¼
.99¼	.89½	May	.96⅛	.95¼	.96
.96	.93½	July	.94⅜	.93¼	.94¼
Rye—					
1.02⅜	.85¼	Dec.	.96½	.91⅜	92.1
1.06¼	.87¼	May	1.00⅛	.96¼	.97⅜
1.01⅜	.96¼	July	1.00¼	.96⅞	.98¼
Flax—					
3.28¼	2.67½	Dec.	3.28¼	3.21¼	3.23
3.29½	2.69¼	May	3.29½	3.22½	3.26½
3.23¼	2.83	July	3.23¼	3.16½	3.21¼

Winnipeg Cash

	For Week High	Low	Prev. week High	Low
Oats—				
2 C. W.	.80¼	.79¼	.80¼	.80¼
3 C. W.	.77¼	.75¼	.75¼	.75
Barley—				
1 Feed	1.02¼	.99¼	1.02½	1.02
2 Feed	1.01	.98½	1.01½	1.00¼
1 Malt	1.14¼	1.13¼	1.14½	1.14
Rye—				
1 C. W.	.95¼	.92¼	.96¼	.95¼
2 C. W.	.95¼	.92¼	.96¼	.95¼

Chicago Futures

Week to Nov. 28, 1955

Crop year from Aug. 8, 1955 High	Low		High for week	Low for week	Close Nov. 28
Wheat—					
2.00	1.87¼	Sept.	1.94½	1.92¼	1.98½
2.08	1.93¼	Dec.	2.04½	2.00	2.01½
2.11½	1.88½	Mar.	2.06	2.02	2.03½
2.13	1.90	May	2.03¼	2.00	2.01¼
2.00	1.74½	July	1.92¼	1.90	1.91¼
Corn—					
1.41½	1.22½	Dec.	1.26	1.23¼	1.25¼
1.47½	1.26	Mar.	1.31½	1.28½	1.31
1.49½	1.28½	May	1.34¼	1.32	1.33¼
1.49¼	1.33½	July	1.34½	1.34¼	1.36
1.38	1.30¼	Sept.	1.33¼	1.31	1.33
Oats—					
.66	.59¼	Dec.	.65	.61½	.62½
.69¼	.62¼	Mar.	.67½	.64½	.65½
.70¼	.62¼	May	.67	.64¼	.64½
.67½	.61½	July	.64¼	.61½	.63¼
.64	.63	Sept.	.64	.63	.64
Rye—					
1.19	.96¼	Dec.	1.12	1.08¼	1.09½
1.22½	1.00	Mar.	1.15	1.11	1.12¼
1.24	1.01½	May	1.16	1.12	1.13¼
1.21½	1.08	July	1.12½	1.09	1.09½
1.16	1.07¼	Sept.	1.12½	1.10¼	1.10½
Soybeans—(old contracts)					
Nov.					
Jan.			2.33½	2.30¼	2.32½
Soybeans—(new contracts)					
Nov.					
Jan.			2.35½	2.31¼	2.34
Mar.			2.38	2.33½	2.36½
May			2.36½	2.34	2.36½
July			2.35½	2.32	2.34¼
Sept.			2.30¼	2.23½	2.25¼

Chicago Cash

	For Week Nov. 28 High	Low	Prev. week High	Low
Corn—2 Yel. (new)	1.21¼	1.19¼	...	...
Oats—				
1 H. W.	...	...	...	...

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED

Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur

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McCabe Grain Company Limited

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B·ELLIOTT (CANADA) LTD. PORT HOPE, ONTARIO, CANADA

Wainright Refiners Gets CN Oil Order

Wainright Producers & Refiners Ltd. has been awarded a CNR contract for 3½ million gallons of diesel fuel to be supplied in 1956.

The new contract is double this year's. The new refinery at Wainright which went into operation last April will supply the additional fuel.

WHAT ARE THESE MEN SAYING ABOUT ALGOMA STEEL?

JIM: I'm back again for some more good advice, Pete. Suppose one had a little money to invest, and wanted to put it away into something good which might be expected to go up in time, what should he pick? You told me you had made some money in ALGOMA STEEL — is **that** *a good stock?*

PETE: It's certainly been a very good stock to me, but whether you should buy it right now, Jim, is more than I can say!

JIM: But you **did** *buy it — how did you pick it* **then**?

PETE: Jim, I've told you before that I know theoretically how to take out an appendix, but I'd go to a specialist to have my own removed! In the same way, I use the expert services of CO-ORDINATOR to advise me on all my Stock Market buying or selling. They advised me to buy ALGOMA STEEL at $58.00, just before its sensational rise to $90.00. I asked them last May about META URANIUM, on which all my friends were bullish, which was then at 90 cents. They said "NO, it'll be selling for 30 cents by the end of the year." It's now down to 20c.

JIM: How can they be that good, Pete?

PETE: They keep detailed long-term charts on over 800 Listed Stocks, so they know the behaviour-pattern of each. They study conditions, appraise all available information, and use their more than 25 years of experience to compile sound advice. Do you think they would have stayed in business that long if their advice were **not** consistently sound, Jim? I have other friends who are sceptical, too, but I tell them all the same thing—"I started by filling out a coupon, and I've made money ever since. You do the same thing!"

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MINING INVESTMENTS

Rix Well, Into Black Again Following Fire Dislocation

When an industrial operation is disrupted by fire, the situation is usually regarded as "serious." When a fire occurs at a mine it is often regarded as disastrous.

Last April a fire at Rix Athabasca disrupted that company's uranium ore shipment schedule to the Ace mill of Eldorado Mining & Refining. There were predictions that it would be quite some time before operations would get back to normal again.

But the Rix quarterly report for the period July 1 to Sept. 30, 1955, shows that results were not affected to any great degree.

An estimated operating profit of $108,299 before taxes and write-offs is reported for the latest quarter on a gross production revenue of $262,748. Figures are subject to later adjustment as September is estimated.

Capital expenditures for the period were $54,483 of which $43,536 was for construction of employee dwellings.

Of recent developments, President John Aird comments:

"You will note that the gross revenue from ore sales for this quarter shows a considerable increase in dollar value, although this increase is somewhat offset by operating costs which are slightly in excess of the last quarter returns, this cost increase being primarily attributable to drifting, cross-cutting and general mining.

"Your board of directors is pleased to report that due to the favorable results obtained in recent drilling on the Smitty West showing, plans are presently being completed to deepen the Smitty shaft in order to develop for mining an attractive new block of ore. Your directors also have under consideration the sinking of a shaft in the Leonard area, inasmuch as mining experience to date in that section has proven most reassuring."

* * *

Norris, Allen on Holly

If estimates of iron ore profits accruing to Hollinger Consolidated as worked out by Norris, Allen Limited, prove entirely correct, Hollinger shareholders should be happy. Unfortunately it appears they might be less than the firm estimates.

(The estimates are contained in a November brochure of this Toronto Stock Exchange house.)

Profit estimates are before taxes and, in part, are based on arbitrary estimated profit margins.

On next year's scheduled output of 12 million tons a year for the IOCO project, Norris, Allen estimates royalties accruing to Hollinger at $1.65 a Hollinger share while Hollinger's profits on its share of ore shipments are placed at an additional $1.00 a share.

With 60c estimated for gold mining earnings, an over-all profit of $3.25 a share before taxes is seen possible if 12 million tons are shipped next year.

If both Hollinger North Shore Exploration Co. and Labrador Mining & Exploration Co. were wholly-owned subsidiaries of Hollinger Consolidated, the estimated earnings figure would be more realistic. But unfortunately Hollinger only has a 60% interest in Hollinger North Shore and a 30.87% stake in Labrador Mining & Exploration Co. And these are the companies with the royalties and extra production. This appears to cut in half profit expectations from royalties and profits on "own" ore shipments. Even at half, however, Hollinger shareholders may think the figures look pretty encouraging.

* * *

Bigger Sherritt Output

Are new plans for expansion of activities at the Fort Saskatchewan refinery of Sherritt Gordon Mines developing? If so, this could mean expansion of nickel refining and/or creation of ammonia and other chemical facilities.

At the recent annual meeting of Mid-Western Industrial Gas shareholders were told that the company anticipates that Sherritt will require more gas than called for under its original contract.

ANNOUNCEMENT

CHISHOLM INDUSTRIES

WALTER R. PACKMAN

Edd. Chisholm, president of Chisholm Industries Ltd., Port Moody, B.C., announces the appointment of Walter R. Packman as vice-president in charge of sales. Largest TV manufacturers west of Toronto, Chisholm's are expanding their sales organization right across the prairies to the Great Lakes. Mr. Packman comes to Chisholm from Murray Associates Limited and Conduflor Canada Limited, where he was Sales Manager and Managing Director, respectively.

Lithium Exciting Possibility As Non-Atomic Propellant

Will lithium and boron — in chemical combination with hydrogen—provide unique new propulsive forces for the future, independent of atomic reactions?

The possibility is being hinted at in U. S. industry circles. Perhaps it's 10 years away; but it may be a lot closer.

It could be of first importance to Canada with the growing list of substantial lithium occurrences emerging in this country.

First uses of the new fuels would likely be as rocket and ram-jet propellants but it is thought that with "controlled burning" new fuels might become of great importance for powering aircraft.

If that is the case, a companion demand for columbium would appear logical as use of the new fuels would undoubtedly mean requirement of metals which will withstand great heat. Columbium is perhaps the metal which might best fill this bill.

Recently Lithium Corp. of America announced it was doubling its facilities for producing lithium hydrides (chemical compounds of lithium and hydrogen) and lithium metal to "meet contractual requirements for next year."

It is reported that combining hydrogen with lithium or boron gives a weight advantage over conventional fuel—important in rockets and ram-jets.

Big problem has been to control the rate of burning of the chemical fuels but there are apparently now reasons for believing this can be done. Burning of lithium hydride would produce water (containing hydrogen). There is the theoretical possibility that the hydrogen might be recycled into a burnable form again thus providing still greater fuel saving.

ANNOUNCEMENT

M. J. MARTIN

Roy W. Keeley, Director of Sales, Minnesota Mining & Manufacturing of Canada Limited, London, Ont., is pleased to announce the appointment of M. J. Martin as Sales Manager, Administration. In addition to his new duties, Mr. Martin will continue as administrator of advertising and sales promotion.

Province of Saskatchewan

Department of Mineral Resources

PUBLIC NOTICE

Sale of Saskatchewan Crown Leases

The undersigned will receive up to 4:00 p.m., January 10th, 1956, sealed offers to purchase leases of petroleum and natural gas rights on proven and semi-proven Crown Lands in the areas set out in this notice.

Cash Bonus Bid only on eight parcels in the Lloydminster field and one parcel in the Smiley field.

Cash Bonus or Net Royalty Bid on:

(1) Three parcels in the Coleville-Smiley field.
(2) Five parcels in the Midale field.
(3) One parcel in the Forget field.
(4) One parcel in the Frobisher field.
(5) Four parcels in the Alida field.
(6) Eight parcels in the Nottingham field.
(7) One parcel in the Ratcliffe field.

Details regarding this sale may be obtained by directing requests to the undersigned.

Jas. T. Cawley, P.Eng.,
Director of Petroleum & Natural Gas,
Department of Mineral Resources,
Govt. Administration Building,
REGINA, Saskatchewan.

Maritimes, Bathurst, Plan Share-for-Share Merger

Special meetings of shareholders of both Maritimes Mining Corp. and Bathurst Mining Corp. have been called for Dec. 12 to consider the proposal to merge the two companies into a continuing Maritimes Mining Corp., with a capitalization of 10 million shares. Shareholders of each company would be entitled to a share-for-share exchange.

M. J. Boylen, president of both companies, discusses the proposal in similar letters to each company's shareholders as follows:

"The two companies from their inception have been twins with identical authorized capital, objects, and with an equal number of shares issued and outstanding. In addition, since their original formation and acquisition of New Brunswick mining properties, they have participated jointly in each new project. At the present time, work is proceeding rapidly with a view to bringing the jointly held Newfoundland properties into production and there now seems no reason why the two companies should not continue on as one. If this merger is approved, the two companies will continue their operations under one corporate structure to be known as Maritimes Mining Corporation Limited.

"The chief result of the proposed merger will be to facilitate head office management and accounting and it is for this reason it is desired, if possible, to accomplish the plan before the end of the current fiscal year."

Mr. Boylen states that a formal progress report is expected to be forwarded in the near future.

No proxies are being solicited with respect to the two meetings but the hope is expressed that many shareholders will attend.

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U. S. Bearish On Uranium?

While hope is being expressed in Canadian mining circles that a six-month extension on "deadlines" might be provided to assist more Beaverlodge mines in reaching production, the U. S. press is becoming increasingly "bearish" on future uranium marketing.

The Nov. 26 American Letter of Whaley-Eaton Service makes this comment:

"World uranium production continues to expand despite deep uncertainties over the future market. In this country fears are rising over the prospect that a reduction in weapons output, required not by disarmament but by reaching a near-saturation point, may before long undercut the market. Such worries seem not to have affected uranium fever in such other countries as Canada and Australia. New finds are being rapidly exploited.

"The fact that America cannot continue indefinitely to buy up all the uranium offered is under Congressional study. Findings will be reported next year."

American Metal Market has a Nov. 23 front page story—"Possible Cutback in Uranium Needs For Defense May Slow Down Mining." The story does not claim official stature but is attributed to strong Pentagon rumors.

Says American Metal Market:

"Reason for the atomic bomb cutback, according to the Washington reports, is that the Defense Department already has a stockpile of atomic bombs far beyond any foreseeable demand.

"However, atomic experts have indicated this contingency might arise and have expressed the opinion that it would be offset by refinements in the development of atomic weapons which would make obsolete many of these presently in stockpile.

"Senator Clinton Anderson, chairman of the Joint Committee on Atomic Energy, in a recent review of the atomic stockpile, declared, 'Atomic bombs would be running out of our ears' within 10 years, resulting in a 'very rapid fall-off in the military's requirements for uranium ores."

CROSS LAKE

MINING COMPANY LIMITED

Cross Lake Mining Company Limited, incorporated under Ontario Charter in March, 1955, has acquired five separate groups of properties totalling ninety-six claims in the Blind River, Temagami and Haileybury districts.

One block of thirty-six claims adjoins the producing Pronto uranium mine to the North and the second group of seventeen claims is located immediately to the Northwest of Pronto. A geological and geophysical survey of both Blind River groups is now being arranged.

A group of seventeen claims adjoins the Temagami Mining Company's property where, it is reported, extremely high grade copper ore is currently being shipped at the rate of one hundred tons per day. Prospecting of this group has established the continuation of the Keewatin—diabase series contact on which the Temagami Mining Company ore occurs and the Company has let a contract with Mining Geophysics Corporation Limited for a geophysical survey. This survey is in anticipation of a diamond drilling programme.

The Company also plans to prospect another nine-claim group located on Cross Lake approximately eight miles South of the Temagami Mining Company holdings, where a shaft was sunk in 1906.

The most recently acquired property comprises seventeen claims, located approximately twenty-five miles Northwest of the town of Temagami, in the Haileybury district, on which assays from surface samples returned extremely high values in copper. Four grab samples taken along a strike length of 1500 feet gave the following assays:

No. 1 — 9.70% copper,
No. 2 — 18.90% copper,
No. 3 — 2.35% copper,
No. 4 — 24.50% copper.

Diamond drilling has already commenced on this property.

CAPITALIZATION

Authorized ($1 par value)	4,000,000 shares
Issued (720,000 shares held in escrow)	1,100,005 shares
Available for further financing	2,899,995 shares

The Company has sufficient funds on hand to carry out the present programme.

Consult your broker

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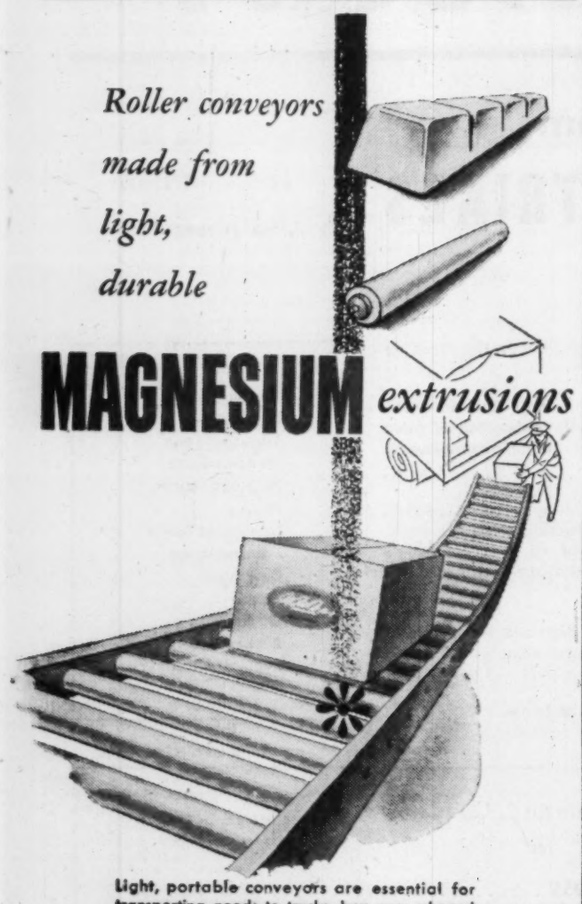

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Copper 'Optimism' Comes to Life Again As Price Nears Record Levels in U.K.

When copper in the United Kingdom broke after touching a £400 a ton peak last September, many people in both Europe and America predicted that the bull market in copper was over.

U. K. copper dropped as low as £332 10s. for three-month delivery as the feeling spread that an end of strike-caused shortages would mean easier copper supplies.

But copper in November was back practically to its old £400 peak on one occasion and the view now seems to be fashionable that copper may be on the way up again.

Spot copper is around 48c a lb. in the U. K., 43c here.

Wages Big Factor

Strikes haven't been too serious a factor recently. However, there have been demands for higher wages in Africa, Chile and the United States. In the past such demands have usually meant increased costs—and higher copper prices.

Undoubtedly much more copper could be used throughout the world today if it were available. This is particularly true of the United States. There has been a very slight easing of the copper inventory situation in the U. S. but supplies on hand with fabricators are still far below normal.

Unfilled orders of U. S. copper and brass mill fabricators totaled 275,255 tons of copper — over 550 million lb.—at the end of October or somewhat more than double the figure of a year earlier. Orders on hand would take about 2½ months to fill if no new orders were being received, it is pointed out.

With higher prices for copper, there is some tendency for copper mining companies to treat lower grade material which could not previously be treated at a profit. While this may be good business for the individual copper producer, it may have the incidental effect of accentuating the copper shortage if it reduces the over-all production of copper.

In the annual review of Rhokana Corporation, Ernest Oppenheimer, chairman of Rhodesian Anglo American Corp. group of copper mines, said he was confident that firm demands for copper would continue in the future and that increased world production could be readily absorbed. He said competition from substitute metals, especially aluminum, had to be expected.

Opemiska Copper Cuts Ore A Mile to East of Shaft

Opemiska Copper Mines (Quebec) which had a $482,891 profit in the September quarter has been securing interesting copper values in drilling a new discovery some 5,000 ft. east of the shaft.

The showing at this location is described as consisting of two converging bands of ore, about 100 ft. apart, assaying approximately 4% copper over 4 ft. and 5% copper across 3 ft.

A diamond drill hole 500 ft. east of the outcrop cut the ore bands at depths of 140 and 175 ft. returning assays of 4.05% copper over 2.8 ft. and 5.40% copper over 3.5 ft. A second drill hole located 400 ft. farther east obtained a single intersection of 3 ft. averaging 3.70% copper. Further exploration of this zone is proposed next summer.

A second mineralized showing 7,000 ft. east of the shaft is now being diamond drilled. It was traced and partially exposed for a length of 350 ft. at surface with sampling returning an average of 5.05% copper and 2.23 oz. silver over an average width of 5.4 ft.

No important discoveries are reported from outside exploration.

Gross value of production in the three months ended Sept. 30, 1955, worked out at $1,493,378. Operating profits were $692,561.

During the three-month period, the mill treated an average of 418 tons of ore per day assaying 4.92% copper and 0.05 oz. gold and 0.66 oz. of silver per ton. A total of 7,430 tons of concentrates was produced. The estimated gross value of the copper contained in these concentrates was based on an average delivered selling price per pound of copper of 38.1c Canadian funds. If current prices are maintained for the balance of the year, during which time settlement for this production will be made, the actual receipts could be some $175,000 greater than the estimated net value.

Capital expenditures during the quarter totaling $277,343 consisted of $177,546 for employee housing, $71,247 for mill expansion and $28,550 for mine equipment and shops. From this was deducted $74,642 received from the sale of diesel-electric units. The money advanced for townsite development was expended as follows: 55% on sewers and water works, 40% on electrical distribution system and the balance on administrative facilities.

The ore and waste pass system to the 1,075-ft. horizon is nearing completion and development of the three new mining levels is in progress. Crosscutting to the No. 3 ore zone on the 675, 825 and 975-ft. levels is under way with a total advance for the three-month period under review of 762 ft.

Lateral mine development of the upper levels was confined to the No. 3 zone at the 400-ft. and the No. 4 zone at the 525-ft. horizon. On the 400-ft. level the No. 3 zone has now been exposed for a continuous length of 1,673 ft. averaging 4.69% copper across 7.6 ft. The additional length was developed on the west end of the zone approaching the rhyolite. Further development of the No. 4 zone on the 525-ft. level during the period now gives a total exposed length of 1,032 ft. averaging 3.01% copper across an average drift width of 7.4 ft.

	Quarter ended Sept. 30 1955	9 Mos. to Sept. 30 1955
Metals Produced:		
Pounds copper	3,715,356	10,690,892
Ounces gold	1,746.6	4,602.2
Ounces silver	20,422.9	59,582.5
Gross val. of prod. ...	$1,493,378	$4,339,743
Marketing chges.	360,911	1,085,032
Net val. of metal prod.	1,132,467	3,254,711
Operat. & admin. costs includ. Prov. duties	439,906	1,352,079
Prof. before write-offs & deprec.	692,561	1,902,632
Devel. write-offs & deprec.	209,670	573,118
Net profit	482,891	1,329,514
Tons milled	38,420	111,375
Capital expenditures:		
Build., machinery & equip.	202,701	603,252
Def. develop.	45,715	173,238
	248,416	776,490
Outside exploration ..	17,864	21,076
Advanced for townsite development	57,879	158,297

Roger Belanger To Up Capital

MONTREAL (Staff) — Roger R. Belanger Ltd., suspended last month from trading on the Montreal Stock Exchange, has been granted authority to increase capital stock from $225,000 to $425,000.

The additional capital stock will be divided into 2,000 preferred shares of $100 each.

Notice of the authority is contained in the Quebec official Gazette and supplementary letters patent were issued under the Quebec Companies Act.

The company's suspension was based on charges laid under section of the exchange's bylaws which say governing bodies can fix the minimum amount, rate of percentage of margin, which must be obtained on margin accounts by members of the firm. They also provide for fines.

A spokesman for the Montreal Stock Exchange this week told The Post that the suspension would remain in force until investigations have been carried out.

Jas. Richardson Issues Booklet

An eight-page study on the Chibougamau area of Quebec has just been published by James Richardson & Sons.

After discussing general economic considerations, the study provides detailed outlines of the positions of companies in the area. the area

Steep Rock Output Almost Double '54

MONTREAL (Staff)—Ore shipments from the Steep Rock mines at Atikokan for the 1955 season established a record, CNR reports. The total tonnage of 2,265,449 comprised 34,033 car loads and was almost double the amount of ore shipped in 1954 over CNR lines to ore dock at Port Arthur.

During the seven-month period, 237 ships handled the record tonnage, compared with 115 ships in 1954 and 1,156,546 tons. The S.S. Vandoc was the first and last ship to clear with ore. She opened the season on April 28 and closed it this week.

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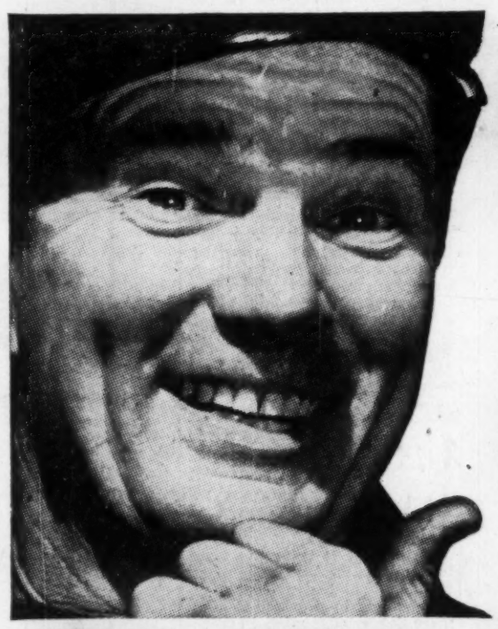

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King-Size Campbell Chiboug. Profits Spur Chibougamau Area Developments

By GORDON M. GRANT

With rapidly pyramiding profits being realized by the Chibougamau camp's two producers — Campbell Chibougamau and Opemiska Copper Mines — a further intensification of activity is being forecast for this Quebec copper camp which already accounts for almost 10% of Canada's copper output.

In the immediate Campbell area, Copper Cliff Consolidated, Merrill Island, and New Royran, are feverishly working to get their underground programs under way. And the large number of ore-bearing shears in the Campbell region has sparked large-scale drilling activity by not only the three companies mentioned above but by Chib-Kayrand, Bouzan, Bateman and others.

Dramatic Profits

Campbell Chibougamau is demonstrating in dramatic fashion the very substantial profits which can be turned out in this camp.

Since production commenced on June 1, profits have permitted the company to retire virtually all its indebtedness. First there was a bank loan of over $1 million which was retired. The $5.5 million 5% bond issue held by the Export-Import Bank is now about to be extinguished. With payments made on Nov. 30, this bond issue was scheduled to be reduced to $1,750,000.

Legally the company has the right to pay off the balance of this issue at any time. If Export-Import officials raise no objections, the management expects to pay off the balance of the bond issue by the end of the year, possibly before Christmas.

Production at Campbell is now on a settled basis of 100,000 lb. of copper daily or about three million lb. a month. Recovery is averaging a little better than 3.2%. Extraction is very good. The management feels it is a little early to make any definite statements about the level of costs but early expectation of operating costs of 14 or 15 cents a pound are apparently being substantiated.

One of the most favorable aspects of the Campbell Chibougamau picture is that the company has been able to carry on its current program for a 1,000-ft. extension of its shaft to the 2,150-ft horizon without interfering with either production or development programs.

Noranda In Picture?

Noranda is reported to have a substantial interest in Campbell Chibougamau, treats its concentrates at its smelter.

Opemiska Copper — recently rumored a company Noranda would like to control — is realizing increased profits at its operation 24 miles to the southwest of Campbell Chibougamau. An operating profit of $692,561 before write-offs was realized in the three months ended Sept. 30 and a net of $482,891 after all charges. However, value of output for the September quarter will be $175,000 higher than the $1,493,378 estimated gross if the present metal prices prevail to the end of the quarter. With a doubling of mill capacity to be placed in effect in coming months, profit prospects are correspondingly enhanced. Some of Opemiska's copper is under contract to the end of the year and after the turn of the year this output may be sold at present higher prevailing prices.

Merrill Island, with a small part of its property leased to Campbell Chibougamau, is having about 465 tons of ore treated a day in the Campbell mill. It is reported that Merrill Island operating profits have been running $100,000 a month or better.

Campbell Helps Others

The outstanding profits being realized by Campbell Chibougamau "from the drop of the hat" have provided a great stimulus to development of widespread other known ore occurrences in the Campbell section. The fact that results have been considerably better underground at Campbell than at surface is a factor of interest in considering results elsewhere in the immediate area.

Three shafts will be used in an attack on other indicated ore bodies in the Campbell section. The largest of the ore situations to be investigated is the big Copper Cliff - New Royran - Bouzan shear. Here the Yellowknife Bear-financed Copper Cliff Consolidated and New Royran have an indicated 14,000 ft. of ore zone. After the zone passes through the Bouzan group to the south of New Royran, it presumably reenters New Royran ground again.

Copper Cliff Consolidated expects to have actual sinking under way before Christmas on its big five-compartment shaft which will be good for production of several thousand tons of ore a day. Steel Butler buildings have been practically completed, hoist room is well advanced, headframe is up and plant equipment is currently being installed. With $2.6 millions assured the treasury under latest financing with Yellowknife Bear and associates, the company is amply financed for a large development program.

New Royran is expected to have its three-compartment shaft under way shortly after Copper Cliff gets going. Ultimately the two shafts will likely be connected underground with New Royran ore probably treated in a single large mill built and contemplated for Copper Cliff ground. That's the objective.

With winter weather becoming established, both Copper Cliff and New Royran will shortly embark on ice drilling. Much strategic ground can only be tested in the winter from the ice and further significant ore news appears a possibility if not a probability for coming months.

New Royran reports two holes with ore intersections recently. R-27 hole on the main zone returned 18 ft. averaging 1.7% copper. Exploratory hole R-32, put down on a parallel zone 300 ft. north of the main zone and 2,000 ft. east of the east end of the drilled-off portion of the main zone, has returned a 14-ft. intersection from 473 to 487 ft. which on visual inspection may run 2.5% copper.

Bouzan has apparently cut wide ore south of New Royran on the main zone extension.

The Bouzan hole is collared about 350 ft. south of the New Royran line. A 100-ft. core section starting at about 800-ft. hole depth showed copper mineralization (chalcopyrite). One 25-ft. section included, on visual inspection, is estimated to average 2.5% copper with a 6-ft. part expected to average about 6% copper. Bouzan will also be able to take advantage of drilling from the ice for testing the southerly projection of the shear zone.

Merrill Island has a 350-ft. shaft down on the unleased portion of its Dore Lake property. This shaft has recently been dewatered and is now to be extended to 1,000 ft. Some $2,210,000 has been received by the treasury from sale of 1.4 million shares since the end of June and the company is in strong financial shape for development not only of the shaft area but other outlying ore occurrences shown in drilling. Merrill Island is also carrying on a joint boundary drilling program with Chib-Kayrand with a first hole now in progress.

Chib-Kayrand is also waiting for the ice to investigate what are regarded as quite important ore possibilities.

It is expected that before long Campbell Chibougamau may broaden its exploration activities. The company owns the old Cedar Bay property developed many years ago by Cominco. A substantial tonnage of ore is known to exist there. It is reported that Campbell and associates are interested in exploring other ore situations in the area and early implementation of this program is expected now that complete debt liquidation is close at hand.

Smelter Later On?

So far all copper concentrates produced in the area have been shipped to Noranda. It currently costs about $20 a ton to truck a ton of concentrates to St. Felicien and to ship them by rail to Noranda for smelting. With all-rail transportation now only a matter of time, transportation costs will be reduced to about $6 a ton. This would mean a considerable reduction in costs for both Campbell Chibougamau and Opemiska.

When the rail link from Chibougamau to St. Felicien is finished, producers of copper concentrates in the area (including Chibougamau Explorers) will apparently have the option of shipping to the proposed Chicoutimi plant of Eastern Smelting & Refining, a somewhat shorter rail haul.

Eventually, the Chibougamau area is expected to justify installation of its own smelter. But mines so far in production would scarcely justify such an expensive installation. One more larger producer might do the trick. Chibougamau Smelting & Refining, under the same auspices as Campbell Chibougamau, has given considerable study to the question of smelter facilities and has come up with the conclusion that smelter plans would be premature just now.

But a smelter would undoubtedly permit treatment of much additional marginal material and boost profits.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

CDN. HOMESTEAD OILS in the year ended May 31 1955, had a $325,605 loss which was reduced by a $30,160 profit on sale of leases. The $325,604 loss reflected writing off of over $468,000 for unproductive and abandoned projects, depreciation, and depletion. Net loss for the three months ended Aug. 31, 1955, was $17,328 after over $45,000 of write-offs.

Net production revenue was $212,860 in the year ended May 31, 1955, $47,326 for the three months ended Aug. 31, 1955.

Development of holdings at a faster pace is planned and sale of 250,000 shares at $2 a share in September together with options on 500,000 additional shares are expected to facilitate this program. Working capital at Oct. 1, 1955, was approximately $500,000.

Emphasis is now being placed on holdings in the Foothills belt. Canadian Homestead has holdings at Big Horn, Brewster Ranch and Panther River in this belt. Union Oil is currently drilling a test on the 36,800-acre block held at Panther River with well at 1,185 ft. on Nov. 10. This well will also be of importance to the 99,840-acre Brewster Ranch holding three miles to the north.

A further 40,000 acres has been acquired in the Foothills belt north of Jasper National Park and about 100 miles due west of Pembina.

A further 20% interest was acquired in three producing wells at Hamilton Lake on Oct. 31, 1955. Purchase price was $8,250 which is expected back in 20 months. Five undrilled quarter-sections were also acquired with these wells. Negotiations are being carried on for drilling of two of these quarters.

INCOME ACCOUNT*

Years Ended May 31:	1955	1954
Net prod. rev.	$212,860	$257,003
Add: Misc. income	2,424	780
Less: Admin. & gen. exps.	73,807	65,302
Net earnings	141,477	192,391
Less: Devel. w/o	211,273	84,047
Deplet.	187,471	73,313
Deprec.	68,338	55,044
Loss, sale of assets		4,022
Net loss & deficit	325,605	24,035

*For the three months ended Aug. 31, 1955, net production revenue was $47,326; misc. income $3,404, gain on sale of fixed assets of $1,418 gen. expenses $12,124, development w/o of $23,321, depletion of $6,236 and depreciation of $27,796, net loss for the period was $17,328.

BALANCE SHEET

As at:	Aug. 31 1955	May 31 1954
Cash	$8,957	$12,409
Acct. rec., etc.	33,121	16,453
Inventories	23,188	27,286
Total curr. assets	65,266	56,148
Prepd. rent. & exps.	1,390	3,629
Lease & res. deposits	27,500	8,250
Invest. at cost	12,341	6,100
Incorp. exp.	2,248	2,248
Explor. & dev.†	1,289,696	944,130
Fixed assets‡	227,454	198,320
Total assets	1,626,065	1,218,825
Capital stock	128,476	92,475
Capital surplus	3,396,719	1,714,707
Less: Deficit	901,130	588,357
†After deplet. of	391,118	157,410
‡After deprec. of	193,825	99,930
Working capital	65,266	56,148

Quebec Lithium Now Producing

President Pierre Beauchemin reports that Quebec Lithium Corp. entered the ranks of Canada's mineral producers on Monday. Plans are to work the mill up to its 1,000-ton capacity as quickly as possible.

A market is assured for the major part of the company's output under a five-year contract with Lithium Corp. of America which calls for delivery of 165 tons of concentrates daily at a price of $11 per 1% contained lithium oxide. This involves production of approximately 800 tons of ore daily.

Quebec Lithium has been carrying on research with a view to producing the company's own lithium products.

Many Minerals on Agenda For Prospectors' 'Shindig'

A variety of mineral resources are scheduled for discussion at the annual convention of the Prospectors & Developers Association to be held at the Royal York Hotel, Toronto, March 4 to 7 inclusive.

Nickel, copper, lead, zinc, silver, asbestos and uranium will be discussed along with the handling of uranium ores, iron, lithium, petroleum and natural gas. Pipeline developments will also be up for discussion.

Panels will be a feature of the 1955 convention.

Top-ranking authorities on lithium — from the viewpoint of concentration and chemical treatment—will cover this subject in panel discussion while another panel will discuss the practicability of refining low-grade uranium ores by decrepidation process.

Other authorities on U. S. and Canadian iron ore development and processing will conduct a panel discussion as a measure to achieve enlightenment on this growing Canadian industry.

Data on new uranium and copper ore bodies are expected to be provided while Ottawa geologists and scientists are expected to provide facts on Canada's slightly prospected areas.

Canada's technical advancement in atomic reactors will be discussed by Dr. David A. Keys, scientific adviser to the president of Atomic Energy of Canada, who will speak on "Nuclear Energy—Our Future Source of Power." Other phases of the new atomic age will be expounded.

The official opening buffet dinner and address Sunday evening will be preceded by a preconvention reception of the president at 25 Adelaide St. W., Toronto, at 3 p.m.

Molybdenite Corp. "In Black" Plans 600-ton Milling Rate

A substantial improvement in results is reported by Molybdenite Corp. of Canada which has been operating "in the black" since June, 1955.

A profit of $41,666 before depreciation and taxes was realized in the nine months ended Sept. 30, 1955, as against a $69,744 loss for the same 1954 period. Current profits before depreciation and taxes are running $20,000 to $25,000 monthly and President Hector Authier states that the company is hopeful that profits may be increased "substantially."

Since Apr. 1, 1955, larger equipment has been installed and daily mill rate has been advanced from 390 tons in May to 514 tons currently. Additional equipment has been ordered and will be installed to further increase average daily output. Next objective is 600 tons a day.

Profit potential of the company is expected to be increased by a new molybdic oxide producing plant scheduled to be completed within four to six months. Cost of the new plant is to be paid for out of earnings and construction is already in progress.

By Sept. 30, 1955, debt to the Export-Import Bank of the United States had declined from $540,000 to $378,000 and two additional payments of $27,000 each were proposed on Nov. 30.

An ore reserve sufficient for two to three years is stated to be indicated at present. Geophysical work, to be supplemented by diamond drilling, is being carried on to investigate the large unexplored portion of the company's property. It is desired to develop a larger ore potential.

Plans for production of ferro-molybdenum and molybdenum-based lubricants are under study by the company's technical staff.

Ponder Plant For Titanium

Plans for an estimated $5 million, 1,500 ton per year electrolytic titanium smelting unit are being considered by Union Carbide's Electro Metallurgical Co. this week.

Market and production research surveys have started to reach final phases and final decision may be only months away. Logical plant sites are Welland, Ont. or Beauharnois, Que. where Electromet already has large scale electro metallurgical operations.

G. O. Loch, president of Electro Metallurgical says, "We are studying Canada's titanium demand very closely . . . we would like to be in this business."

Union Carbide's interest in electrolytic smelting of titanium in Canada received a triple boost this week:

—A 30c per pound cut in the price for titanium sponge which is expected to create new demand.

—Announcement that Canadian Steel Improvement Ltd. has perfected a precision titanium forging process.

—A report from the U. S. parent company that its $31 million, 7,500 tons per year titanium smelter now building at Ashtabula, Ohio, will be operating by mid-1956.

Souris Valley In Daly Deal

Souris Valley Oil Co. and Pascar Oils have purchased the mineral rights on the west half of section 24-10-28 in the Daly field west of Virden, Man., following the vesting of these rights in E. G. Wardle, a farmer.

The half section is at the present time directly offset by three producing wells and diagonally offset by two additional producing wells.

Souris Valley has been designated operator of the joint venture with interests of two thirds to Souris and one third to Pascar. In addition to the above half section, Souris and Pascar have a further 480 acres in the Virden area affected by this judgment.

Commencement of drilling is planned on the Wardle half section as soon as a drilling rig is available.

Cdn. Collieries Adds to Timber

With Timberland Lumber Co. purchased in addition to the earlier Flavelle Cedar Ltd. acquisition, Canadian Collieries (Dunsmuir) now regards itself as in the forefront of lumber operation on the Canadian West Coast.

Additional credit was acquired from bankers for the Timberland purchase but some form of long-term debt financing may be considered shortly with which to retire part of the bank loan.

In announcing the Timberland deal, President Norman R. Whittal said:

"I am now glad to be able to advise you that your company has purchased the entire assets of Timberland Lumber Co. Ltd., which in addition to a large amount of net current assets (mainly cash) including stocks of lumber, has extensive real estate on which the mill is located directly across from the city of New Westminster. Further, it owns approximately 70 million feet of Crown grant timber on Vancouver Island, together with 15,000 acres of Crown grant logged over lands. Through a wholly owned subsidiary they also own a management license estimated to contain one billion feet of timber. Both of these timber tracts are currently opened up and producing logs.

"Timberland Lumber Company's 8-year average shows earnings after all deductions, but before taxes, in excess of $1 million per year, but as in that period of time they had some very lush years, the current earnings which may be expected to prevail, based on present prices, may be at a somewhat lower level. It is hoped that there will be no immediate interruption in the present management.

"With the acquisition of the Flavelle and Timberland operations, having a present output of approximately 80 million fbm per year, your company now is in the forefront of lumber operations on the Canadian West Coast. Its timber holdings, estimated around 2½ billion feet, along with some 32,000 acres of Crown grant land on the east coast of Vancouver Island, part of which is in an advanced stage of second growth, assure it adequate raw material with which to operate its two lumber mills. The combined earnings of the two lumber operations, based on present demand for and price of their products, estimated at $2 millions annually, together with anticipated large oil revenue commencing 1957 and a more favorable outlook for coal, should assure your company very attractive profits over the near future."

GOODYEAR TIRE & RUBBER CO. OF CANADA has purchased for redemption an additional 522 shares cumulative redeemable sinking fund preferred stock. Now 147,418 preferred shares outstanding.

ANNOUNCEMENT

MORRISON STEEL AND WIRE APPOINTMENTS

MR. ARNOLD B. CLIFF

MR. JOHN E. STARK

The Board of Directors of Morrison Steel & Wire Co. Ltd., Vancouver, announce the appointment of Mr. Arnold B. Cliff as President, and Mr. John E. Stark as Executive Vice-President and Managing Director.

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ESTABLISHED 1936

NUMEROUS STOCKS — such as **WESTONS LTD., OPEMISKA, MOGUL, CANADIAN LITHIUM, QUEBEC CHIBOUGAMAU** and **PETROL OIL & GAS** have more than doubled in price within a few months. These recommendations were not given to clients haphazardly — but were emphasized as "buys" repeatedly and consistently.

This Market Letter is read and followed by Bankers, Brokers and The Man on the Street in almost every city, town and hamlet from coast to coast — and in many distant countries. It tells you what stocks to buy or sell in plain ordinary language and the reasons for so doing. (NO magic mathematical formula is expressed by **THIS MARKET SERVICE**). Recommendations are based on inside information backed up by over 20 years of intensive personal market experience.

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Canada's first large Lithium Mine Is now in Production

QUEBEC LITHIUM CORPORATION

With the turning over of the 1,000 ton plant at Quebec Lithium Corporation, another exciting chapter in Canadian mining history is opening up.

To our long and successful history of mining for gold, nickel, asbestos, lead and zinc, the profitable and successful mining of Lithium is now a reality. The addition of this "jet age" metal to Canada's metal output keeps us in the forefront of the world's metal producers.

Lithium which first made the headlines with the H-Bomb development is quickly developing a place in many manufacturing industries. Large tonnages are already being used in the petroleum industry as an additive to oil and grease and in the ceramic industry as a bonding for porcelain finishes. It is also being developed for the alloying of metals, in a new synthetic rubber product and in the manufacture of Vitamin A. "Growth of the Lithium industry is due to the many versatile applications of lithium and its compounds in industry. Scientists and researchers say that they are just beginning to find out new applications. So . . . one can look forward to a healthy expanding lithium industry based upon peacetime industrial application alone".

Quebec Lithium Corporation whose mill turns over for the first time this week is not only Canada's first lithium producer but has come into production under the most favourable circumstances. Ore reserves are over 15,000,000 tons, enough for 45 years at the current mill rate of 1,000 tons. 80% of the plant's rated output is being sold under a fixed price contract to Lithium Corporation of America for a period of 5 years. The Company is unencumbered with debt, has a working capital position of over $1,000,000. and like all new mines is exempt from income taxes for 3½ years.

Not only is Quebec Lithium Corporation establishing a new mining producer and a new mining community, it is working towards the establishment of a new Canadian industry—the manufacture of Lithium Carbonates. Extensive laboratory experiments have been undertaken to produce lithium carbonates in a form that is compatible with the expanding uses of lithium chemicals. Officials of the company have made no secret of their plans for a lithium carbonate plant in the not too distant future.

Indicated revenue from their lithium contract alone is expected to be in excess of $4,000,000 annually. In addition to possible earnings from lithium concentrates, there is income to be received from a premium grade feldspar which will emerge as a by-product. The quartz content of the ore also has commercial possibilities as another possible addition to income.

Canada welcomes the advent of her first lithium producer . . . a jet age metal that has intriguing growth and profit possibilities.

Quebec Lithium shares are listed on the Toronto Stock Exchange and the Canadian Stock Exchange.

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170 BAY STREET, TORONTO — EMPIRE 3-4236
Members of the Montreal Stock Exchange
Members of the Toronto Stock Exchange
MONTREAL: 400 ST-JACQUES — PLATEAU 2795

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TORONTO, ONTARIO

Weekend MAGAZINE

provides better than 53% coverage of the families in Canada's urban markets who spend

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A concise definition of Canadian Sales geography is contained in the table below. It shows clearly that practically 78% of Canada's total estimated twelve billion retail sales dollars are spent in urban centres of 2,500 population and over . . . and that WEEKEND Magazine, with 1,161,201 of its 1,450,000 circulation in these centres, provides better than 53% coverage of the families in the areas that account for this $9,000,000,000 in retail sales.

No other national magazine in Canada provides such dominant coverage of these sales-rich urban markets.

In 1956, Weekend's coast-to-coast circulation will be 1,450,000 — a whopping 500,000 more than any other magazine in Canada. It is by far the largest single audience to which advertisers can tell their story every week in color, monotone, or comics.

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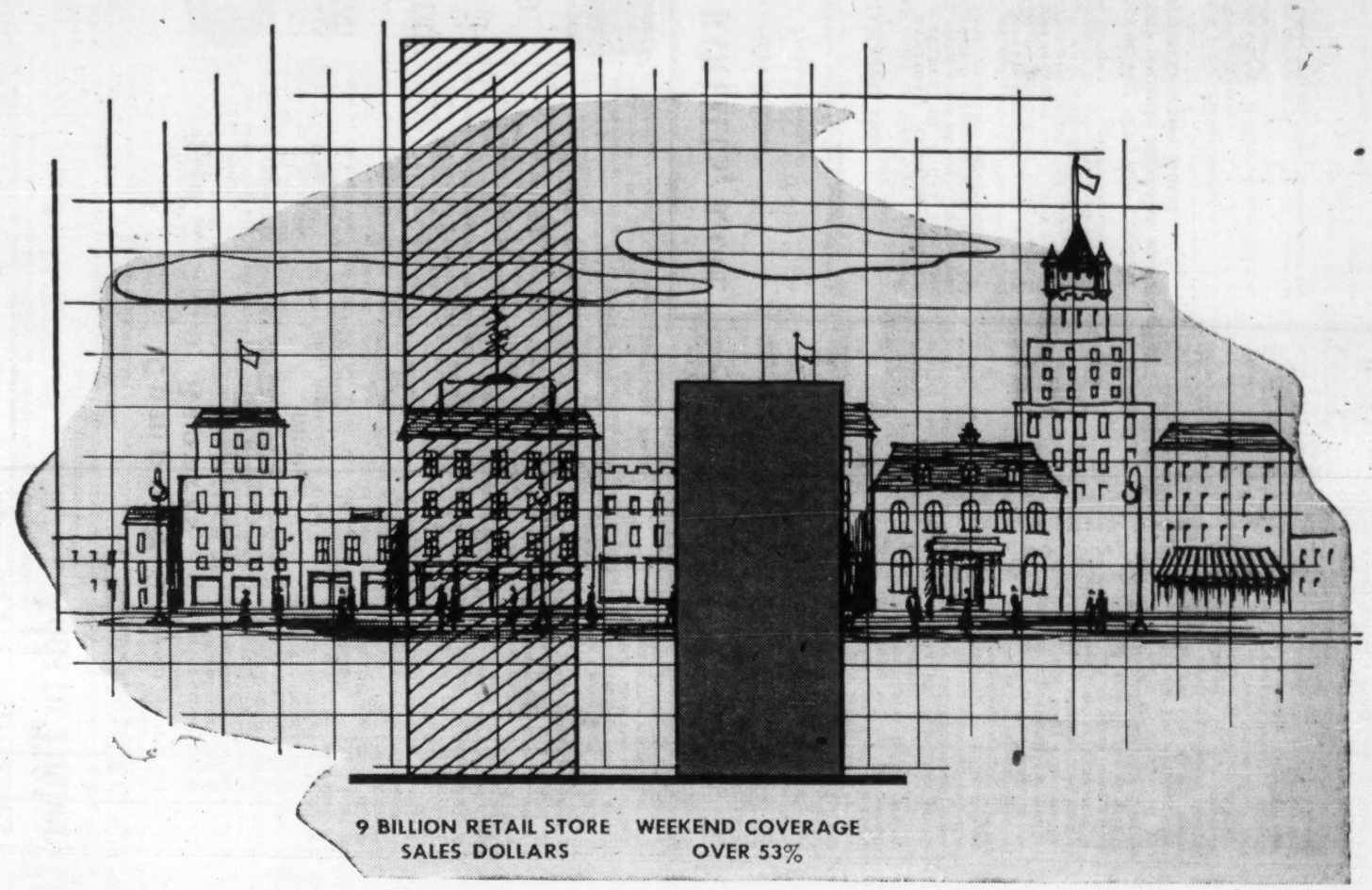


POPULATION GROUPS	NUMBER OF FAMILIES	% OF ALL CANADA	RETAIL STORE SALES % OF ALL CANADA	WEEKEND CIRCULATION	% OF ALL CANADA	COVERAGE PER 100 OF ALL FAMILIES
100 M Pop. & Over	1,385,900	35.69%	48.3%	828,589	57.44%	59.79
25 to 100 M Pop.	318,700	8.20%	10.2%	145,435	10.08%	45.63
Total — 25 M & Over	1,704,600	43.89%	58.5%	974,024	67.52%	57.14
10 to 25 M Pop.	203,800	5.25%	7.9%	74,517	5.17%	36.56
Total — 10 M & Over	1,908,400	49.14%	66.4%	1,048,541	72.69%	54.94
2,500 to 10 M Pop.	275,100	7.08%	11.5%	112,660	7.81%	40.97
Total Urban Centres	2,183,500	56.22%	77.9%	1,161,201	80.50%	53.18

The biggest single selling force in Canada—

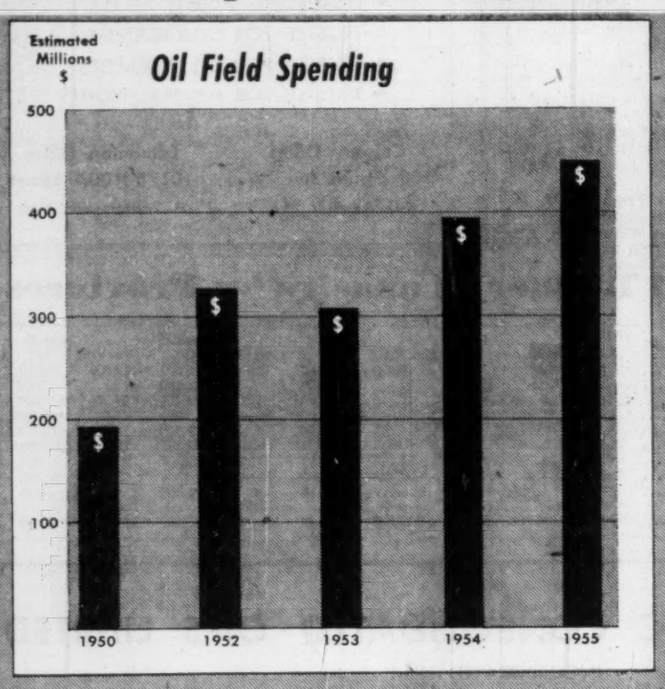
Weekend MAGAZINE

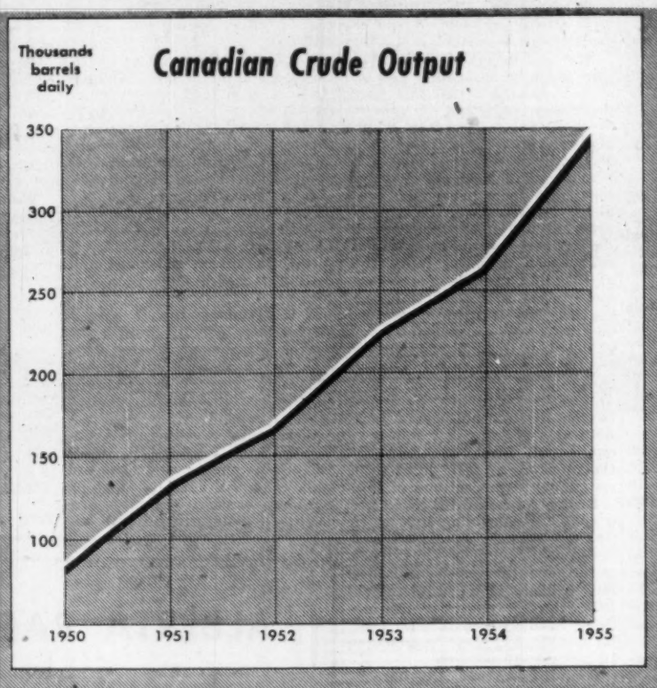
The Financial Post

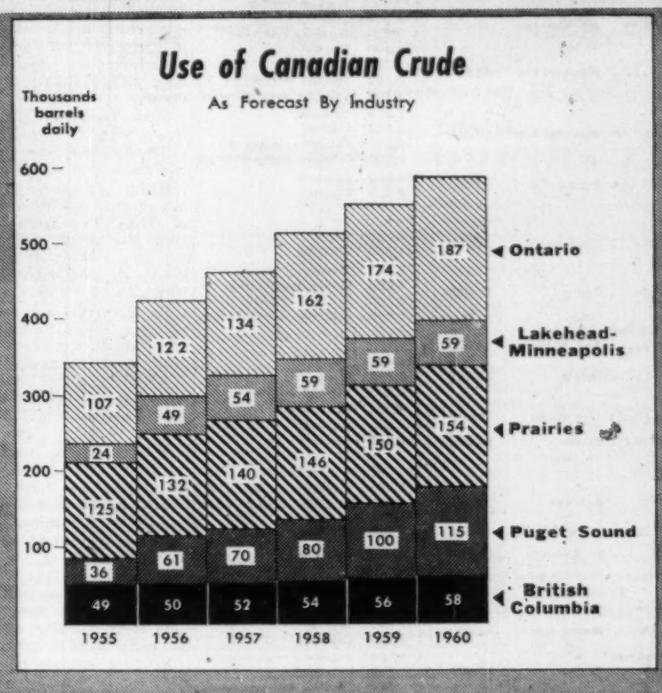
Vol. XLIX Publication Office: Toronto, December 3, 1955 No. 49

report on oil and gas

The Money That's Spent...To Produce More Oil...To Meet Mounting Demand







Time of Decision for Canada's Oil Industry

Is Montreal or U.S. Our Best Future Market?

By GORDON M. GRANT

Should there be a crude oil pipeline from Sarnia to Montreal?

Or will new U. S. markets take up more of our potential oil production?

These are two of the big questions in the oil and petrochemical industry in Canada today.

Combined, a Montreal pipeline and more U. S. markets would probably answer the key question: Where can we sell all the oil we can produce?

It's a headache that has faced western oil producers almost since the discovery of Leduc in 1947. The only difference is that while we have been using more oil every year, we have been finding much more oil every year, so that the headache is getting worse.

To set the stage for a look at the problem, consider these facts:

—Actual marketings of Western Canada crude at around 125 million bbls. in 1955 will exceed those of 1954 by 30%.

—Canada's oil requirements have risen from 204 million bbls. in 1954 to 224 millions this year.

—The oil industry will have spent more than $400 millions in exploration and development in 1955, against 1954's record $394 millions.

—Oil reserves—2.4 billion bbls. at the beginning of the year—are now estimated at more than three billions, due to intensive drilling in the Pembina field.

—Expenditure of an extra $300 millions is shaping up for western natural gas fields as Westcoast and Trans-Canada pipeline programs take on firmer shape.

That's the background. There is one other major important development: Washington's recent announcement that there will be no quota or embargo on Canadian oil seeking U. S. markets.

Two other important facts must be kept in mind:

(1) Current world tanker rates make it possible to ship oil by sea for one-third of the domestic pipeline costs for the same distance;

(2) The well-head price for crude oil in Western Canada is lower than anywhere else in the Western Hemisphere.

That second fact means lower returns for the producer — and shareholder — in an oil producer. Those lower returns are kept still lower because, since the markets aren't there, wells are not allowed to produce at anything like capacity.

Which brings everything around to the question of markets.

Why doesn't Western Canada crude move direct to Montreal? The two-word answer: overseas competition.

Montreal Oil Market

The Montreal refinery market represents about 200,000 bbls. a day — roughly one-third of the whole Canadian market. Tankers from the Middle East or Venezuela supply Montreal, either direct or via the pipeline from Portland, Maine. Either way, it is now laid down in Montreal cheaper than the economics of a Sarnia-Montreal pipeline indicate is possible. There are two other attractions to the use of tankers by Montreal refiners:

(1) Cut rate shipments in the off-season might save as much as 20c a bbl.

(2) Refiners with overseas producing connections (Shell, Petrofina) can buy from their own foreign companies.

The 500-mile extension of the Interprovincial Pipe Line from Sarnia to Montreal, on a 24-inch basis, would cost around $70 millions. To move it over that 500 miles would cost 12c to 15c a barrel on top of the price at Sarnia. It could be kept competitive at Montreal only by lowering the well-head price in the West by that amount.

Those calculations are based on the assumption that the pipeline would have contracts to serve the whole Montreal market, without the threat of foreign price competition.

Another school of thought—which includes two oil companies—has come to the fore with the claim that with the Canadian dollar at par, Redwater crude could be laid down in Montreal as cheaply as water-borne crude, assuming a pipeline tariff of 3c per 100-barrel-miles for the 2,250-mile completed line.

That second school holds that it is unlikely that the total U. S. market for Canadian crude will exceed 125,000 bbls. per day within the next five years, and that the direct and indirect benefits of serving further Canadian markets with domestic oil would outweigh the disadvantages of any well-head cut to invade the Montreal market.

What's the outlook for the U. S. markets?

Washington's dictum that Canadian oil is important for defense because it supplies the oil-deficient U. S. Pacific Northwest, encourages the view that Canada should take a good look at large adjacent American markets. The U. S. has a tariff of 10½ cents a barrel against Canadian crude.

Extension In Future

In theory a good case can perhaps be made for taking oil to Montreal by pipeline right now. But practical considerations suggest the extension to Montreal remains a few years in the future. Before any line could be built to Montreal, a satisfactory throughput would have to be assured.

The Montreal crude market is highly competitive. Present suppliers might give concessions to retain customers. Canadian Petrofina has built its Montreal refinery as an outlet for its own waterborne crude. Domestic oil might be of little interest to some refiners. Pipeline people would have to secure a guaranteed throughput by a number of customers before an extension of the pipeline could be entertained.

The St. Lawrence Seaway will make foreign crude more competitive.

Just now the United States takes little of our crude but our pipeline facilities extend close to big U. S. markets. The return of the Canadian dollar close to parity increases the ability of Canadian producers to compete successfully in U. S. markets. U. S. markets look like really economic ones.

If history is any criterion perhaps we should not be too worried about future markets. Canada is currently producing and marketing over 340,000 bbls. daily. Five years ago our market outlet was less than one quarter this size and our production was 80,000 bbls. daily. Many times in the past the problem of increased markets looked as difficult — or more difficult — than they do today.

Let's look at how Canadian plans to "invade" U. S. markets are going:

Right now we're marketing about 70,000 bbls. daily in the United States — close to double the quantity reported earlier in the year.

The Ferndale and Anacortes refineries of General Petroleums and Shell Oil in the U. S. Pacific Northwest (Puget Sound) area are taking approximately 55,000 bbls. a day. The second U. S. market we're tapping is the Minneapolis-Lakehead market which is currently taking about 15,000 bbls. of Canadian crude. This market may build up to 30,000 bbls. daily as initial operating difficulties are overcome at the new 25,000-bbl.-daily-capacity refinery of Great Northern Oil Co. in St. Paul, a refinery designed specifically to handle medium gravity crude from Saskatchewan's Fosterton field.

Actual oil marketings in the U. S. represent but a small fraction of local demand for oil adjacent to the border. The Puget Sound area is a "dry" area as far as oil is concerned and has a consumption of petroleum products of 175,000 bbls. a day estimated for next year. Canada must compete with tanker-borne Venezuelan crude for this market.

Return of the Canadian dollar close to parity is expected to help Canada increase its market share. There are indications that take of Alberta crude by this market will be stepped up over the next few months.

Greater Than Ontario

The Minneapolis-Lakehead crude equivalent market for 1956 is estimated at 215,000 bbls. a day — greater than the Ontario market. The fact that a 16-in. pipeline now exists from the Interprovincial Pipe Line to the Minneapolis-St. Paul area automatically gives refiners in this area access to Canadian crude.

That's important. At one time it was feared that production from the U. S. portion of the Williston Basin would gradually take over the Twin Cities market but that threat has been removed by the arrangement of pipeline facilities for Eastern Montana oil to go to Wyoming.

It is now thought that the Twin Cities, backed with Canadian crude supplied by pipeline, offer attractive location for new refining capacity to compete economically with Chicago and Wood River in the markets tributary to St. Paul and Minneapolis.

One of the amazing facts of western oil marketing is that the Interprovincial Pipe Line actually traverses a market which will next year consume the equivalent of about 366,000 bbls. daily of crude oil without a barrel of Canadian crude being used. That's the Michigan-Ohio market which includes Detroit, Toledo and Bay City. Canadian crude comes in head-on competition with mid-continent crude. The U. S. refiners have not switched to Canadian crude even though they have it on their doorstep.

There are some indications that Canada may finally break into this large U. S. market — in a small way — in coming months. Negotiations are reported in progress.

Ability of Canadian crude to enter U. S. markets is being strengthened by the fact that a large part of production here is actually owned by U. S. companies which naturally want a return on their investment.

Socony Mobil Oil Co. provides an instance of how ownership can influence marketing.

This large U. S. company with a discovery record in the Pembina and Duhamel fields of Alberta was responsible for development of the large Fosterton "sour crude" area through its Canadian subsidiary Mobil Oil of Canada.

Socony made possible the 25,000-bbl. refinery of Great Northern Oil Co. at St. Paul to process this crude through a long-term contract to take a major portion of the refinery's products.

Marketing Cloud Removed

If the U. S. doesn't change its present policy on Canadian crude, efforts to "sell" crude in the States should be a lot easier. Until Washington's recent announcement, the U. S. program of placing oil imports on a voluntary import quota basis looked to be hitting at Canada. Now that cloud has been removed and oil imports from Canada have an official "blessing," doubtful buyers may come our way.

For the long term, Canadian oil men have two reasons for optimism:

1. Oil discovery in Canada is still in its infancy.

2. Competitive advantages for Canadian crude should emerge over a period of years.

Earlier in 1955 an official of Imperial Oil pointed out that only one exploratory well has been drilled for every 178 square miles of our western oil basin. In the U. S., oil exploration appears to be rapidly reaching the point of diminishing returns due to the much greater average depth of drilling necessary to find oil.

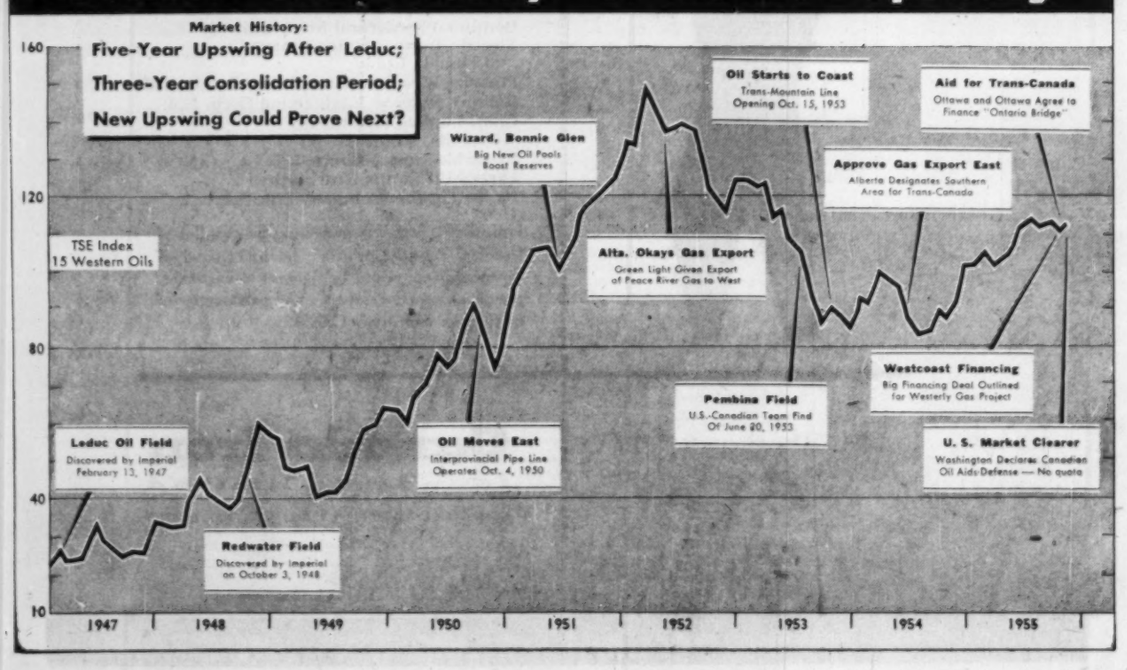
The Western Canadian basin occupies some 770,000 square miles. The sedimentary area of the United States covers 1.2 million square miles and there have been discovered in the United States to date some 77 billion barrels of oil.

The vastness of the sedimentary area in Western Canada is a considerable factor in optimism of the future amount of oil to be found. It would hardly be correct to assume we should discover half the oil found in the U. S. due to relative thickness of sediments and other formation characteristics but optimism prevails on future discoveries here. In some quarters, it is even thought that western crude reserves may reach the five-billion-barrel level in as little as another two years.

It seems likely that over a period of years, the United States will become more and more an importer of oil just as she has gradually become an importer of copper, lead, zinc and other minerals. Right now U. S. domestic producers are raising the cry of the threat to domestic industry of imported crude.

But as the markets for oil continue their inexorable growth, the day is perhaps not too far distant when the United States may not only be willing to take Canadian crude oil but may be glad to get it.

Western Oils—Ready for Market Upswing?



Will Oils Provide Market Leadership?

Gas and Oil Exploration Building Up to 'Bullish' Possibilities

Are we about to see another big market in Western oils?

Will Western oils provide the market leadership so sadly lacking elsewhere in recent weeks?

Oil markets are notoriously difficult to predict, but there are certainly some grounds for thinking oils might do better.

After the TSE index of 15 Western oils skyrocketed to over 150 early in 1952, the oil index dropped by nearly 50% to 82.89 the following year. It made a "double bottom" at 83.27 in 1954. The market has since shown a better undertone, moving gradually upward to about the 115 level.

Chartwise, the oil market is in a position where an upswing would come as no surprise.

The façade of the oil industry provides a number of features which could favor an oil "bull market":

(a) A 30% increase in the physical volume of production in 1955 has undoubtedly lifted revenues for many companies.

(b) Prospects for gas marketing by both Trans-Canada and Westcoast promise a return for the industry's frozen asset — gas.

(c) Crown sales of lush Pembina acreage mean new opportunities for oil development without expensive exploration.

To bring the oil industry and the stock market into closer perspective, let's take a closer look at what's been happening to the individual oil company. That will give us a better idea of the three "lean years" just experienced.

Sounder Financial Footing

First of all, it must be pointed out that a large part of the Western oil boom has been financed and sponsored by large United States and Canadian oil refining and marketing companies with relatively unlimited capital.

Western Canada oils in the days after Leduc showed great "dare" in getting aboard the oil-exploration boat. Many companies took on huge acreage spreads — and great exploration commitments. Substantial financing accompanied many acreage plays.

Because of limited finances for multimillion exploration programs, however, dozens of companies found liquid assets seriously depleted before any real pay-off in oil had been secured.

This situation has been successfully met by numerous companies by farming out large acreage spreads for exploration to Johnny-come-lately U. S. oil companies.

Other companies have taken the amalgamation route to secure greater financial strength and ability to refinance.

As this is written, the average Western oil company appears to be in a considerably more favorable position. Although there appears to be less Western oils paying dividends than before the discovery of Leduc, prospects are definitely brightening.

—More of the smaller independent companies are gradually building up production incomes to a worthwhile size.

—The annual losses reported by the majority of Western oils are shrinking as outside interests help with exploration obligations.

—Quite a few new companies should break into the profit bracket in the next few years.

—Western oils at large seem to be holding their own financially.

The phenomenon of the industry has been the relatively small number of rags-to-riches stories among our hard-hitting Western oils. When it is realized that American companies on occasion have spent $10 millions or $20 millions on oil exploration here without coming up with an economic return, this situation can be understood a little better.

In any bull market in oils, the upswing is often quite general although individual issues will be standouts. If an oil market should develop here, there are already signs as to what companies might enjoy a relatively great share of interest.

Some 'Favored' Companies

The great success being enjoyed by Merrill Petroleums and Canadian Collieries in their participation in Pembina development can be expected to be translated into substantial earning power — and possibly market activity.

Substantial finances being provided Triad Oil Co. by British Petroleum Co. (formerly Anglo-Iranian) could prove significant marketwise.

Western gas developments have already had a considerable influence marketwise.

The companies which actually participate in export of gas from Alberta will probably come in for attention.

There is no Canadian participation in Canadian Gulf which will be the largest Trans-Canada gas source with its Pincher Creek field but Calgary & Edmonton Corp. holds a royalty on much of the Gulf acreage.

Canadian Delhi, Great Sweet Grass, West Maygill, Canadian Export Gas, and Flock Oil & Gas are among the companies which have already signed marketing contracts with Trans-Canada. Others will follow but Trans-Canada has already signed up over 60% of needed gas and not everyone will get a contract.

The Westcoast project has already attracted very appreciable market interest because of gas. Pacific Petroleums, Canadian Atlantic, Peace River Natural Gas and Inland are among the companies which hope to benefit through Peace River gas marketing.

Here's Total Refinery Capacity in Canada

		Crude Oil Capacity (Bbl. per 24 hours)	Cracking Capacity	Plant Type
Nova Scotia				
Imperial Oil	Imperoyal	18,000	10,000	Thermal
New Brunswick				
N. Brunswick Oilfields	Weldon	300	.....	.....
Quebec				
British Amer. Oil	Montreal East	45,000	17,500	Catalytic
			3,500	Thermal
Canadian Petrofina	Montreal East	20,000	16,000	Catalytic
			3,600	Catalytic reforming
Imperial Oil	Montreal East	60,000	14,400	Thermal
			16,500	Catalytic
			3,800	Thermal reforming
			4,400	Catalytic polymerization
McColl-Frontenac Oil	Montreal East	50,000	22,000	Catalytic
			13,800	Thermal
			12,000	Catalytic reforming
			1,500	Catalytic polymerization
Shell Oil Co. of Can.	Montreal East	45,000	18,000	Catalytic
			8,000	Thermal
Ontario				
British Amer. Oil	Clarkson	21,500	4,500	Thermal
			11,600	Catalytic
Canadian Oil Cos.	Sarnia	22,000	3,500	Thermal
			4,000	Catalytic reforming
			10,000	Catalytic (fluid)
			1,200	Catalytic polymerization
Husky Oil & Refining (Riverlake)	Fort William	4,000	.....	.....
Imperial Oil	Sarnia	78,000	16,000	Thermal
			19,300	Catalytic
			8,000	Thermal reforming
Regent Refin'g (Can.)	Port Credit	8,000	1,500	Platforming
			4,000	Thermal
Sun Oil of Canada	Sarnia	15,000	11,000	Catalytic
Manitoba				
Anglo-Cdn. Oils	Brandon	3,000	1,375	Thermal
			35	Catalytic polymerization
			1,000	Platforming
Imperial Oil	Winnipeg	12,000	4,100	Catalytic
North Star Oil	St. Boniface	12,000	5,200	Catalytic
Radio Oil Refineries	East Kildonan	500	.....	.....
Saskatchewan				
British Amer. Oil	Moose Jaw	15,000	1,500	Thermal
			4,500	Catalytic
Consumers' Co-operative Refineries	Regina	13,000	3,000	Thermal
			5,500	Catalytic
			500	Catalytic polymerization
Husky Oil & Refining Moose Jaw Refineries Ltd.	Moose Jaw	8,500	500	Catalytic reforming
	Moose Jaw	2,000	.....	.....
North. Petrol'm Corp.	Kamsack	800	.....	.....
Petroleum Fuels Ltd.	Moose Jaw	1,000	.....	.....
Royalite Oil Co.:			3,150	Thermal
Royalite Hi Way Ltd.	Saskatoon	6,500	2,600	Catalytic
			400	Catalytic polymerization
Pr. Albert Refin. Ltd.	Prince Albert	1,000	.....	.....
Royalite Prods. Ltd.	Coleville	5,000	.....	.....
Imperial Oil	Regina	22,500	10,600	Thermal
			8,100	Catalytic
			3,100	Thermal reforming
			300	Catalytic polymerization
Alberta				
Ang.-Am. Exploration	Hartell	4,000	1,500	Thermal
Bonnyville Oil Refin'g	Bonnyville	2,500	.....	.....
British American Oil	Calgary	7,200	2,500	Thermal
British American Oil	Edmonton	7,000	1,400	Thermal
			2,000	Catalytic
Excelsior Refineries	Lloydminster	4,000	.....	.....
Imperial Oil	Calgary	9,200	4,600	Thermal
			600	Alkylation
Imperial Oil	Edmonton	25,000	9,000	Thermal
			8,200	Catalytic
McColl-Frontenac Oil	Edmonton	11,000	2,600	Catalytic
			3,000	Thermal
			2,200	Delayed coking
			250	Catalytic polymerization
North Star Oil	Grande Prairie	2,500	.....	.....
Wainwright Producers & Refiners	Wainwright	3,000	.....	.....
British Columbia				
Imperial Oil	Ioco	22,500	7,500	Catalytic
Royalite Products	Kamloops	5,000	1,400	Catalytic
			500	Catalytic polymerization
Shell Oil Co. of Can.	Shellburn	18,000	4,500	Thermal
			5,000	Catalytic
Stand. Oil Co. of B.C.	Burnaby	11,000	3,700	Catalytic
			900	Catalytic polymerization
X-L Refineries	Dawson Creek	2,000	750	Thermal
			450	Catalytic reforming
Northwest Territories				
Imperial Oil	Norman Wells	1,250	.....	.....

Note: Catalytic polymerization, alkylation, delayed coking, and reforming do not represent cracking capacity but are listed in the column for information purposes.

Refinery Capacity Continues Climb

Better Quality, Greater Variety Comes With Boost

Capacity of Canadian oil refineries continues to climb as refining and marketing firms seek to keep up with the demand for all types of petroleum products.

Not only is total refinery capacity for treatment of crude oil expanding, but additional cracking capacity and other special units are being installed to produce higher quality products and greater variety.

Total Canadian crude oil refinery capacity rose 11% in 1955, to reach 624,750 bbls. a day, 63,350 b/d more than a year ago.

Cracking capacity of the plants has reached 325,375 b/d, up 11% or 31,350 b/d from November, 1954. Not included in this total are such installations as reforming and polymerization units, which many refiners are adding.

Biggest increase in capacity this year was in the Province of Quebec, where Canadian Petrofina brought into production its new 20,000 b/d plant, Imperial Oil added 14,000 b/d McColl-Frontenac 7,000 b/d and Shell 1,000 b/d.

Alberta capacity has been raised by 11,000 b/d in the past year, Manitoba's by 7,500 b/d with smaller increases in Saskatchewan and British Columbia.

Biggest single addition to capacity now under way is Imperial expansion at Imperoyal, near Halifax, where capacity will be 41,625 b/d when completed some time next summer. Present capacity is 18,000 b/d.

At Port Credit, Ont., Regent Refining is planning to increase its crude oil capacity to 20,000 b/d (now 8,000) and install catalytic cracking and other facilities.

Shell Oil Co. of Canada has a major program going ahead at its Montreal East refinery. Costing $14 millions, the capacity there will be upped to 55,000 b/d (45,000 now), and additional cracking catalytic capacity, reforming and other facilities are being installed. The changes should be completed by mid-summer of 1956.

Canadian Oil plans to increase the capacity of its refinery at Sarnia by 10,000 b/d (now 20,000) by 1957.

These are the only big additions being made. North Star Oil has moved its former St. Boniface, Man. plant to Grande Prairie in Alberta. It had a rated capacity of 4,500 b/d, but company expects to operate it at around 2,500 b/d, following modernization. The new North Star refinery at St. Boniface has a capacity of 12,000 b/d.

Thus about 46,000 b/d of new crude oil refining capacity is planned or under construction, compared with about 75,000 a year ago and 90,000 building or planned in November, 1953.

Also under construction are new units at several refineries. Here is a summary of some of the new refinery projects under way or recently completed by the refining firms:

Imperial Oil, as already mentioned, expects to complete its $25 million expansion at its Imperoyal plant near Halifax in the summer of 1956. Its Montreal East capacity has been increased in the past year by 25%, and new facilities for quality improvement added, at an estimated cost of $10 millions. In November it opened a new $14 million lubricating oil plant at Edmonton, with a capacity of 750,000 bbls. of high quality automotive and industrial oils a year.

Near Vancouver, Imperial's Ioco refinery has added new facilities, chiefly a catalytic polymerization unit and a naphtha fractionator, to produce higher quality gasoline. Cost was about $2.9 millions.

At Sarnia, the company's manufacturing department has completed an $8 million construction program for related facilities at the refinery, including mechanical shops, a $4 million lubricating oil blending, packaging and warehouse plant, and a $1 million inspection lab. It recently awarded contracts for construction of a new $4½ million wax plant and a catalytic reformer with a capacity of 13,500 b/d. The reforming unit is the main item in a plan calling for expenditure of more than $5 millions in improved equipment. The wax plant and the reformer are scheduled to be completed in the autumn of 1956.

British American Oil completed a catalytic reforming unit at its Calgary refinery in March, 1955 and a similar unit is scheduled to begin operation at its Montreal East refinery by the first part of 1956. Further plans for 1956 are being developed, with total capital outlay next year expected to be around $10 millions.

McColl-Frontenac Oil has increased the crude oil capacity of its Montreal East refinery in the past year by 7,000 b/d, its catalytic cracking capacity by 6,000 b/d, and its reforming capacity by 7,500 b/d. A 3,300 b/d catalytic reforming unit is planned for construction at its Edmonton refinery in 1956.

Shell Oil Co. of Canada, in addition to the 10,000 b/d increase in crude oil refining capacity under way, is adding 3,000 b/d of catalytic cracking capacity (half of which is completed) and a 6,600 b/d platformer. A new hydro-desulphurizer will remove sulphur from the catalytic cracker feedstock, the first such unit in the world to treat heavy "cat" cracker feedstock. Company is also building a 3,300 b/d platformer costing $1½ million at its Vancouver (Shellburn) refinery.

Canadian Petrofina has completed a new 20,000 b/d refinery at Montreal East. It will have a 10,000 b/d catalytic cracking unit.

Regent Refining (Canada) Ltd., formerly Trinidad Leaseholds (Canada), plans to expand its present 8,000 b/d capacity at Port Credit to 20,000 b/d by late next year. Included will be a catalytic cracking unit, a vacuum distillation unit and a polymerization unit. Estimated cost is $7,350,000.

Anglo-Canadian Oils Ltd., being taken over by **Canadian Oil Companies,** put into operation a 1,000 b/d platforming unit at the end of June. Canadian Oil itself plans to increase its refining capacity at Sarnia by 1957, by 10,000 b/d at an estimated cost of $3 millions.

North Star Oil put into operation last summer a new 12,000 b/d refinery with facilities for crude fractionating, fluid catalytic cracking, polymerization, gas concentration, propane, fuel oils and jet fuel. It has moved its old plant out to Grande Prairie, Alta.

Excelsior Refineries Ltd. increased capacity of its refinery at Lloydminster, Alta. to 4,000 b/d (2,500 before) and expects to spend $250,000 on additional processing facilities and storage in 1955.

X-L Refineries Ltd., a subsidiary of Excelsior, has built a $2.5 million refinery at Dawson City, B.C. with a capacity of 2,000 bbl. of crude, and topping, thermal cracking and catalytic Houdriforming units.

Consumers' Co-Operative Refineries Ltd. increased its crude oil refining capacity by 1,000 b/d (now 13,000), and its catalytic cracking capacity by 500 b/d. Capital expenditures in 1956 are expected to total $225,000, a slight increase over 1955.

Anglo-American Exploration Ltd., Hartell, Alta. now has a crude capacity of 4,000 b/d (3,000 before) and is installing a catalytic reforming unit rated at 1,000 b/d and other modernization at a cost of $600,000.

Royalite Oil plans no major changes at its refineries in 1956 and capital improvements may be about the same as in 1955. **Northern Petroleum Corp.** at Kamsack, Sask. and **New Brunswick Oilfields Ltd.** also expect no change or expansion.

Wainwright Producers & Refiners has expanded capacity of its refinery at Wainwright, Alta. to 3,000 b/d (650 before).

Oil Refinery Capacity by Provinces

	Nov. 1955		Nov. 1954		Nov. 1953		Nov. 1952		Nov. 1951	
	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking	Crude Oil	Cracking
N. S.	18,000	10,000	18,000	10,000	22,000	10,000	22,000	10,000	22,000	10,000
N. B.	300	....	300	....	300	....	300	....	300	....
Que.	220,000	129,700	178,000	105,100	176,000	103,600	164,000	95,300	157,000	98,200
Ont.	148,500	79,900	148,500	79,900	135,000	73,050	105,000	48,500	80,700	37,000
Man.	27,500	18,675	20,500	6,575	20,500	6,075	20,500	6,075	19,750	6,075
Sask.	75,300	38,950	74,300	38,450	59,700	20,800	49,500	19,000	39,000	11,900
Alta.	75,400	34,800	64,050	31,900	62,550	31,300	62,300	23,700	61,050	23,700
B. C.	58,500	23,300	56,500	22,100	45,600	10,800	28,350	5,750	28,350	5,750
N.W.T.	1,250	1,250	1,250	....	1,250	....	1,250	....	1,250	....
Total	624,750	336,575	561,400	294,025	523,150	295,425	453,200	239,625	408,500	192,625

Scurry-Rainbow

With interests in 37 producing wells in the Redwater, Pembina, Bonnie Glen, Malmo, Caprona and Joarcam fields, Scurry-Rainbow has given some indications of better results this year than in the year ended Sept. 30, 1954, when a loss of $668,054 was reported after write-offs of over $1.1 million. Sales, less royalties, had amounted to $703,226.

Net oil production in August, 1955, amounted to 38,262 bbls. as compared with 23,994 bbls. for August, 1954.

Over $1 million was spent on seismic and related work in the 1954 fiscal year which can be regarded as an investment in the future.

On the 1,180,000-acre reservation block in the Wapiti-Smoky River area of Alberta in which Scurry holds a 13 1/3% carried interest, Anglo et-al - Campbell Creek 35-11 recently flowed gas at a rate of 33 million cu. ft. daily from a sand of the Lower Cretaceous.

A retained carried interest of 8% is held in a block of 93,000 acres in the Brazeau area farmed out to Compagnie Francaise des Petroles which is expected to drill at least one well after further seismic work.

Scurry-Rainbow is interested in Oilwell Operators operations in the Nanton area.

Working capital was approximately $641,000 at Sept. 30, 1954.

New British Dom.

New British Dominion Oil Co. is now busy in realizing on the large gas reserves established in Southern Alberta. A 20% interest (750,000 shares) has been taken in Northwest Nitro-Chemicals which plans to manufacture and market high analysis nitrogen and phosphate chemical fertilizers, using natural gas from the Etzikom field in which New British Dominion has a major interest.

Total cost of the Northwest Nitro-Chemical project is placed at $22 millions.

A 50% interest is held in South Alberta Pipe Lines which plans to build a $1-million pipeline from the Etzikom gas field to Medicine Hat. Contracts for sale of natural gas have been completed with both the new chemical company and Medicine Hat.

There was a net loss of $435,569 in the year ended March 31, 1955, which brought deficit forward to $2,824,110. There was an excess of current liabilities over current assets of $30,577 at March 31, 1955.

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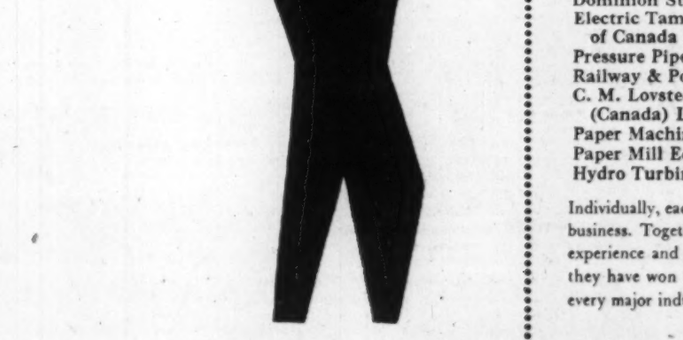

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The Alchemists Should Have Tried Black Gold

'Magic' Makes Petrochemicals Boom Industry

Science's increasing wizardry in rearranging the petroleum molecules has set the stage for what is probably the fastest-growing industry in the world today: petrochemicals.

Although petrochemicals are only taking the equivalent of about one barrel in fifty of crude oil consumption in North America today they are accounting for 25% of total chemical production. Predictions are that in less than ten years they will account for over 50%.

Petrochemicals have featured postwar chemical growth all over the world. But in Canada, where the growth has coincided with discovery and development of major new oil and gas fields and unprecedented inflow of international investment capital, the expansion record has been phenomenal.

From an original investment of $45 millions in the Crown-owned synthetic rubber plant at Sarnia in 1943, plant investment in Canada's petrochemical industry has grown close to $300 millions representing some two dozen plants. Another $25 to $40 millions of expansion is currently on the drawing boards or in production stages.

Because chemistry can regroup the invisible hydrocarbons present in petroleum gases into chemical "building blocks" that can be processed into dozens of products ranging all the way from explosives to pharmaceuticals, the potential of this industry is limitless.

There's one important reason why the petroleum industry has not only been ready to provide the all-important gases to this fast-stepping industry but also has been jumping into the business itself; extracting these building blocks for chemicals multiplies the dollar value of the petroleum some 10 to 12 times whereas refining the same oil for fuel increases the value only three to four times.

But every refiner hasn't a petrochemicals market available on his front doorstep. Up until recently it has been only those oil people whose oil refineries and gas wells have been located economically close to heavily populated market areas who have been able to attract the petrochemical plants to their sites. But now low-cost pipeline transportation will alter this situation in the near future.

More Expansion Ahead

Construction of a transcontinental gas pipeline system in Canada will almost certainly mean a second expansion wave for this country's petrochemical industry. Not only will plentiful supplies of gas be made available to industry along the route of the proposed pipeline to Eastern Canada but new petrochemical plants are certain to go up at some of the major gas fields in the prairies.

Just recently Canadian Gulf Oil Co., owner of the biggest gas field in Canada — Pincher Creek field in Southern Alberta — announced plans for construction of a sulphur plant to process up to 225 tons of elemented sulphur a day. The sulphur, along with other condensates, will be extracted from the Pincher Creek gas, the gas in turn to be marketed to Trans-Canada Pipeline Co. A large share of this sulphur in liquid form is to go to a new chemical fertilizer plant being constructed at Medicine Hat some 50 miles distant, processing high analysis phosphate and nitrogen fertilizers.

Availability of natural gas along the route of the transcontinental gas pipeline is certain to result in sharply stepped up production of ammonia in this country. Already most oil companies in the United States are using natural gas for ammonia production. Hydrogen is extracted from the natural gas and combined with nitrogen from the air to produce the required ammonia products. Today ammonia is one of the fastest-growing basic chemicals. Its use is expanding rapidly in the fertilizer field and in various industrial applications.

Another supply of hydrogen for possible use in ammonia processing comes from the new catalytic reforming units to be constructed across Canada in the race toward higher octane gasolines.

The increasing use of the new catalytic reforming units is exerting a tremendous impact on the fast-moving petrochemical industry. The "cat" reformers not only convert low-octane, straight-run gasoline to high octane gasoline but also produce some important byproducts in doing so. These byproducts include the starting material for many of the recent miracle fibres, including Dacron. Strong, tough resins based on the same petrochemicals are used to produce the new glass fibre reinforced structural material for motor cars and building panels. The hydrogen itself can be used to upgrade lube oils, another oil product. It can be used to make ammonia. The ammonia itself can be converted to nitrates, which are constituent in rocket fuels.

Bulk of Canada's petrochemicals output comes from three large refining centres — Montreal east, Sarnia and Edmonton. The plants have concentrated in these areas to be close to plentiful supply of the all-important petroleum hydrocarbons.

Oil Firms Diversify

In some cases the oil companies are creating new divisions and going directly into the chemical business. That is the case with both Shell Oil of Canada and British American Oil — the latter in conjunction with Shawinigan Chemicals Limited. Recently Imperial Oil has set up a new petrochemical division to look into the marketing potentialities of this industry.

In other cases the oil companies have preferred to remain entirely in the oil business and have sold the gases as feed-stock to chemical companies in the area, e.g., Imperial Oil and Canadian Oil Companies of Sarnia McColl-Frontenac at Montreal.

There is now a keen market for all available feed stocks in both the Sarnia and Montreal areas with several chemical companies seeking supplies on long-term basis.

So far chief projects using natural gas in processing of petrochemical products are the $80-million plant of Canadian Chemicals at Edmonton which produces a dozen or so industrial chemicals along with cellulose acetate; Consolidated Mining & Smelting's plant at Calgary which produces ammonia using hydrogen derived from natural gas and Canadian Industries Ltd. which manufactures polyethylene plastic from natural gas in its Edmonton plant.

There are several other companies, however, in the planning stages that are looking to natural gas as a basic raw material, e.g., Northwest Nitro-Chemicals Ltd., at Medicine Hat, Alta., plan large-scale production of chemical fertilizers; Canadian Hydrocarbons have plans to construct a fertilizer plant in the Winnipeg area using natural gas for hydrogen supply.

Ethylene follows ammonia as the second-highest tonnage material supplied from petroleum and natural gas. It does not occur naturally but is a product of cracking. The growth of ethylene as a chemical raw material in the last ten years has been spectacular. Its present annual consumption in U. S. and Canada is in excess of two billion pounds. Its list of derivatives is steadily increasing until it now contributes to nearly twice as many chemicals and chemical intermediates as both propylene and butylene, other popular petrochemical intermediates. Dow Chemical of Canada at Sarnia and more recently Union Carbide at Montreal East, are the chief processors of ethylene derivatives. Among Dow's major ethylene products are ethylene glycol and several solvents used extensively in the cleaning industry. Further extension of ethylene plant facilities at Sarnia, has recently been announced.

Thanks to development of petrochemistry, Canada could now go entirely without any natural rubber if the need were to arise. The general purpose GR-S-type synthetic rubber is made basically through styrene and butadiene, derivatives of petroleum gas. The same two chemicals, when combined and processed differently form the Latex which has been widely used in coatings of printing papers. A similar Latex forms the base for a new kind of paint, the popular rubber-base paint, getting wide acceptance at the moment for easy application, quick drying, lack of odor and resistance to abrasion.

Benzene, an important item in production of synthetic rubbers, was supplied up until recently almost entirely from coking of coal. The steel companies held claim to this field. But because of tremendous demands benzene is now being produced in substantial quantities from petroleum both in the U. S. and recently in this country.

New Materials, Products

Phenol-Isopropyl alcohol, pentaerythritol, polyethylene, Terylene, pentachlorphenol, are just a few of the unfamiliar products making their bows to Canadians in dozens of unrecognized forms; in paints, plastics, synthetic detergents, synthetic fibres, fertilizers, explosives, pharmaceuticals, etc.

A string of new petrochemical plants across Canada could exert more impact on the Canadian economy than any other group of associated plants brought into production since the war.

They will not only mean savings of millions of import dollars annually, but will bring about establishment of a group of new secondary industries based on the plentiful supply of raw materials.

It has taken a lot of courage, as well as dollars, for the chemical leaders to sanction such a wild postwar spending spree on new petrochemical plants, many of them designed to turn out products never before produced in this country. In practically every case to be economic the plants had to be built with a designed capacity at least as large as the entire domestic market; in some cases far beyond this.

With the huge chemical giant to the south and only moderate tariff protection — or cases of some new products with no protection at all — there has been no assurance that they would be able to capture even a fair slice of the home market.

The most modern plants, know-how, in many cases associations with big U. S. organizations, have been tremendous aids. But even with this it has been obvious that competition would be keen from the start — and could get a lot keener when surplus capacity built up in the U. S. chemical industry.

Although several of the new petrochemical plants in this country — including the biggest project of all, that of Canadian Chemical Co. at Edmonton and the $15-million polyethylene plant of Canadian Industries in the same city — have had considerable initial marketing problems, the industry is now experiencing much improved operating conditions. Over-all industry demands for the majority of petrochemical intermediate products is running at a high level with sales this year running at new records and considerably beyond last year.

Although it is difficult to draw the line between a petrochemical and strictly chemical operation and to break down some producers' sales between petrochemical and associated products a close guess would be the sales of a dozen main producers in this country are running between $110-$120 millions annual rate. This represents around a four-fold increase since 1947.

Some industry officials are doubtful that the same rate of industry growth will be maintained over the next few years, despite the continued high tempo of business. Many of the more obvious product situations are now being exploited, they claim. Besides, manufacturers contemplating construction of expensive plants for new products will likely want more than government promise to "look into the tariff situation" once the product is made.

Further Diversification

Biggest moves are expected to be along the line of further product diversification in already existing plants. Everyone of the major postwar plants could add new products without costly revamping of processes; others could add products with relatively moderate cash outlays for altered plant and equipment. It is in the plans of management to take such steps when market warrants it.

With starting raw materials of natural gas and high alpha pulp the big Canadian Chemical Co. at Edmonton could add many more chemicals without heavy capital cost. Five new products have already been added this summer and a further market survey has indicated two new groups of products that might be successfully produced in the near future.

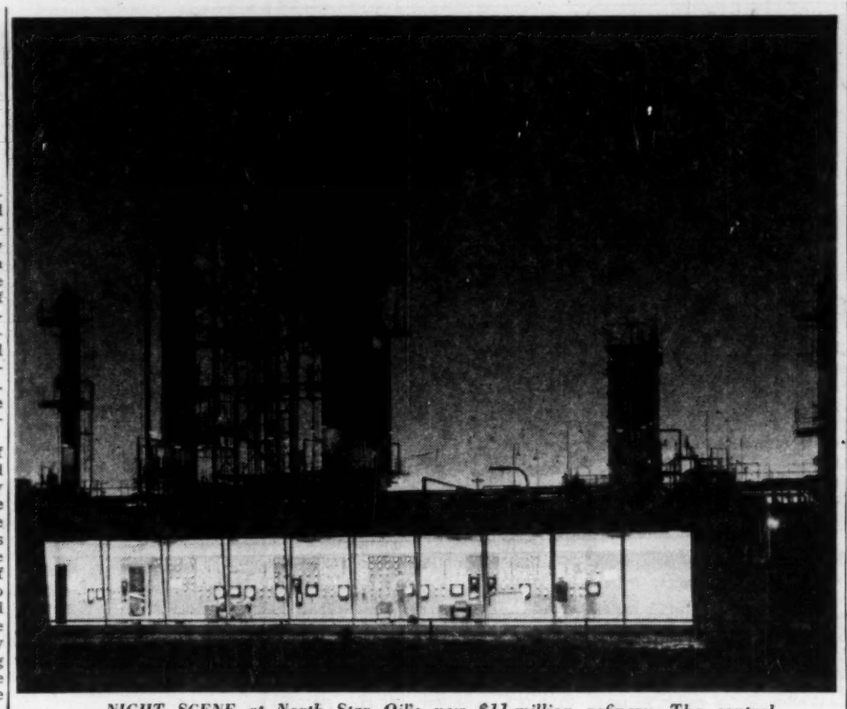
Union Carbide Canada officials claim their Montreal East petrochemicals venture will be just a starting-off point for a broad petrochemical expansion in this country. They intend to make more and more of the chemicals now being supplied by associated U. S. firms. The Montreal operation which is starting with ethylene oxide and ethylene glycol, will later add polyethylene and ethanolamines and glycol ethers. Basic process being used at the Montreal plant is the same as the one by which associated U. S. companies turn out more than 300 chemicals.

Dow Chemical of Canada with its chlorhydrin process of producing ethylene glycol could carry its product chain into virtually dozens of more products. Just recently Dow has announced a $10-million new expansion phase that will up its production capacity in ethylene, caustic soda and chlorine; a new plant to produce pentachlorphenol—a chemical wood preserver; and Canada's first plant to make ethanolamine — a chemical used as a scrubbing agent to remove sulphurs from natural gas.

Both B.A. - Shawinigan and Shell Oil at Montreal have eyes on further product developments.

Because you just can't pipe natural gas as it comes from the ground to the consumers' gas stove, the ambitious $350-million gas pipeline project will have a batch of byproducts to process and sell. This will involve an estimated $150-million wave of construction of gas - processing plants in Western Canada. The byproducts — ethane, propane, butanes, hexanes, natural gasoline — will have to be largely stripped out of the gas before it can be transported into a pipeline; will provide a tremendous reservoir of hydrocarbon raw materials for future petrochemical endeavors. In time the byproducts could mean more to Western Canada than the gas itself.

As far as Eastern Canada, it looks at the moment as if one of the best petrochemical market bets will be in production of ammonia.



NIGHT SCENE at North Star Oil's new $11-million refinery. The control room with its lengthy panel-board from which the dozens of integrated refining operations are co-ordinated.

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Oil, Gas Stocks Listed On TSE

Here is a complete listing of oil and gas stocks listed on the Toronto Stock Exchange in which Canadians are predominantly interested.

This country's stake in the petroleum business finds expression in giants such as Imperial Oil all the way down to pipeline companies and a multitude of independents engaged in development of oil and gas resources of Western Canada.

Best market performance this past year has been provided by the natural gas companies.

Company	Author. Shs.	Outstand. Shs.
Acme Gas & Oil	5,000,000	2,891,232
Ajax Petroleums	5,000,000	4,000,000
Alba Explorations	4,000,000	2,100,000
Alberta Pacific Cons. Oils	5,000,000	2,901,758
American Leduc Petroleums	10,000,000	9,000,000
Amurex Oil Development	3,000,000	750,000
Anchor Petroleum	6,000,000	4,000,000
Andian National	3,000,000	2,550,000
Anglo American Exploration	3,000,000	1,171,503
Anglo-Canadian Oil	5,000,000	3,779,376
Bailey Selburn Oil & Gas Class A	4,000,000	2,429,669
Banff Oil	4,000,000	3,073,398
Bata Petroleums	8,000,000	6,572,514
Bralsaman Petroleums	1,000,000	775,000
Britalta Petroleums	3,000,000	2,363,585
British American Oil	12,000,000	9,084,445
Calgary & Edmonton	3,250,000	2,415,100
Calnorth Oils	4,000,000	2,850,004
Calvan Consolidated Oil & Gas	7,500,000	4,812,377
Canada Oil Lands	3,000,000	1,363,412
Warrants	.....	607,045
Canada Southern Petroleum	8,000,000	5,242,959
Canadian Admiral Oils	5,000,000	2,287,602
Canadian Atlantic Oil	6,000,000	3,193,671
Canadian British Empire Oil	10,000,000	5,966,911
Canadian Collieries (Dunsmuir)	2,500,000	1,388,333
Canadian Decalta Gas & Oils	4,000,000	1,808,420
Canadian Devonian Petroleums	3,500,000	3,396,330
Canadian Homestead Oils	5,000,000	1,534,759
Canadian Oil & Gas Reserves	5,000,000	5,000,000
Canadian Oil Co.'s	3,000,000	†1,261,992
8% preferred	20,000	20,000
5% preferred	50,000	50,000
4% preferred	10,000	10,000
Warrants	.....	68,908
Canadian Petrofina preferred	8,000,000	4,849,498
Canadian Pipelines & Petroleums	10,000,000	6,178,334
Canadian Prospect	4,000,000	2,722,062
Canadian Western Natural Gas 4% preferred	400,000	275,410
Canso Natural Gas	5,000,000	3,114,352
Canso Oil Producers	4,000,000	2,491,483
Central Leduc Oils	5,000,000	2,758,005
Chamberlain Oil & Gas	4,000,000	4,000,000
Charter Oil	4,000,000	2,322,852
Commoil Ltd.	1,500,000	1,133,823
Commonwealth Petroleum	2,000,000	1,999,309
Cons. Allenbee Oil & Gas	6,000,000	5,477,023
Cons. Cordasun	5,000,000	3,577,500
Cons. Dragon Oils	5,000,000	2,262,502
Cons. East Crest Oil	5,000,000	1,486,823
Cons. Mic Mac Oils	5,000,000	2,135,658
Cons. Peak Oils	5,000,000	4,812,004
Cons. West Petroleum	1,000,000	993,398
Consumers' Gas of Toronto	2,500,000	1,445,520
Dalhousie Oil	3,000,000	3,000,000
Del Rio Producers	4,000,000	3,657,000
Devon-Leduc Oils	5,000,000	3,612,405
Dome Exploration (Western)	3,000,000	2,000,000
Duvex Oils & Mines	5,000,000	3,840,000
El Pen-Rey Oils & Mines	5,000,000	3,093,335
Fargo Oils	6,000,000	4,169,945

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Drilling, Exploration Expands in Province

From Our Own Correspondent

WINNIPEG — Starting from scratch in February, 1951, with a single well in the Daly field near Virden Manitoba oil production nears the end of its first five years with daily yields about 75% of the province's total requirements.

To supply its petroleum and petroleum product needs requires about 20,000 bbls. of crude oil per day. In the week Oct. 24-Nov. 1 production averaged 15,432 bbls. per day, nearly double the daily yield of 8,826 for January.

In volume of production, number of new producing wells, returns to the government treasury and expansion of facilities for handling the oil recoveries, the year 1955 has been far the biggest for the industry in Manitoba.

Drilling and exploratory work has been on a larger scale than ever.

Pipeline gathering facilities have been expanded to carry production from the major producing areas.

Four new areas have been designated as oil fields to make 10 recognized fields at mid-November with possibility that a new one may be added by end of the year or soon after.

In the first nine months of the year the number of wells capable of production nearly doubled, 314 in January and slightly more than 500 in October. In this period an average of four new producers were brought in every five days. Oil companies now have an estimated stake of $40 millions in development of oil and this is thought to be a conservative figure. Their actual investment may be closer to $50 millions. In any case their recoveries to date have been only between 25% and 30% of their outlay.

Here Is '55 Growth

The 1955 growth of the industry may most easily be told statistically. Here are production figures month by month for 1955, the comparative figures for 1954, and the daily average production for each month of 1955 for which figures are available:

	Production in 1955	Production in 1954
Jan.	273,599	106,801
Feb.	261,004	116,204
March	299,224	134,835
April	219,508	134,926
May	245,899	126,941
June	335,323	165,965
July	395,176	198,024
August	420,180	225,305
Sept.	412,405	208,602

Total production, the table shows, increased progressively every month, except in the shorter month of February and in the spring break-up months of April and May when road conditions hampered truck transportation. In these two months also and for the same reason, daily average production was smaller.

Transportation troubles during the spring have been largely solved by extension of the gathering system of Trans-Prairie Pipe Lines Limited which started with a nine-mile line linking the Daly field—the first one designated in the province—with the Interprovincial Pipe Line at Cromer. This year its facilities were enlarged, first by a 12-mile extension to the Virden Roselea field, a further eight-mile extension to the North-Virden Roselea producers, and a third seven-mile extension to the Woodnorth field.

The year also gave further confirmation that Manitoba's oil potential extends beyond the fields close to the town of Virden and that ultimate developments will probably cover a 3,000-sq.-mile area extending 60 miles north from the international boundary along the Manitoba-Saskatchewan line and roughly 50 miles eastward. Four new fields were designated in 1955, two of them close to the original production area, the Maples field a short distance south of Virden and the Ebor field immediately west of Daly.

The two other new fields are more remote. The Pierson field is 42 miles south of Virden and 18 miles west and only 12 miles from the United States boundary. The Lulu Lake field in the Turtle Mountain district is nearly at the international line and 60 miles from Virden.

Top Six Fields

The other six fields, Daly, Virden-Roselea, North Virden-Roselea, Woodnorth, Whitewater and Tilston were all designated before 1955. The Tilston field 35 miles south of Virden and close to the international boundary has proved less encouraging than the others during the year because of water difficulties which increased costs of recovery. All the producers of the field are still yielding oil but economic operation of some of them is difficult.

One of the most important expansions of the year was north and west of the North Virden-Roselea field. In its development by companies which held the leases new wells were brought in without a miss on every 40-acre subdivision where drilling was undertaken. Some of them are now the best producers in the province.

The town of Virden, centre of the producing end of the industry since the first recovery in 1951, has an oil field of its own on its 640-acre site, although still considered a part of the previously designated Virden-Roselea field. In July 1954 Ponder Oils got leases for drilling rights from all the town's property owners.

Late in 1954 the company brought in the first producers. Since then new ones have been brought in on every 40-acre subdivision in the town site, the last one in November 1955, most of them free flowing. Virden now has 16 oil wells. The Crown in right of the province which by statute owns the roads, streets and lanes, had 173 acres.

The town of Virden, owner of the property of its Agricultural Society and of a group of lots, mostly vacant, which reverted to the municipaltiy because of non-payment of taxes, had 124 acres. The rest of the land is owned by about 700 private owners, all of them now drawing oil royalties.

Counting sale of lease rights on crown lands and royalties the province this year is getting about $1 million revenue from the oil industry. Royalties, 12½% of the production, are running at about $24,000 a month. Up to Sept. 30 the total take of the treasury from this source was $419,750.

This year seven sales of Crown land leases have brought the province about $700,000, most of it bonuses paid by the bidding companies for drilling rights on the land. The last one Nov. 11 brought $254,000. Public tenders were called in each case. A small part of the consideration was rental fees secured by the leases.

Lease For Nine Years

Leases to the successful bidders are for nine years, a primary period of three years during which the rent is 50c per acre per year, and a secondary period of six years during which the rent is $1.50 per acre, which reverts to 50c on whatever acreage may be brought into production. The leases are subject to renewal for an additional nine years at a rental of $1 per acre per year.

Until this year the original Daly field where the first recovery was made in 1951, has been the province's biggest producer. In 1955 the big volume of production shifted closer to the town of Virden. The North Virden-Roselea field is now yielding more oil than any other field.

Oil and Gas Stocks (Continued)

Company	Author. Shs.	Outstand. Shs.
Federated Petroleums	5,000,000	3,658,708
General Petroleums	1,000,000	400,000
Class A	1,000,000	710,098
Gt. Northern Gas Utilities	1,500,000	616,790
Preferred	100,000	15,000
Warrants	.....	329,317
Gt. Plains Development	1,500,000	887,842
Gt. Sweet Grass Oils	3,000,000	2,500,000
Gridoil Freehold Leases	3,000,000	2,124,165
High Crest Oils	5,000,000	3,689,987
Highwood-Sarcee Oils	3,000,000	2,434,643
Hi-Lower Drilling	200,000	145,000
Home Oil	3,000,000	2,357,633
Husky Oil & Refining	3,000,000	1,967,937
Hy-Charger Petroleums	5,000,000	5,000,000
Imperial Oil	35,000,000	29,854,426
Int. Petroleum	39,800,000	14,524,088
Interprovincial Pipe Line	40,000,000	5,039,832
Jasper Oil	5,000,000	2,164,671
Jupiter Oils	3,000,000	2,477,250
Kroy Oils	5,000,000	2,905,998
Liberal Petroleums	5,000,000	2,917,765
Long Island Petroleums	4,000,000	3,800,000
Marigold Oils	3,500,000	2,100,000
McColl-Frontenac Oil	4,975,526	2,607,963
4% preferred	100,000	60,000
Merrill Petroleums	5,000,000	2,887,995
Midcon Oil & Gas	5,000,000	2,800,000
Mill City Petroleums	6,000,000	4,360,858
National Petroleum	5,000,000	4,098,872
New Bristol Oils	6,000,000	4,880,720
New British Dom. Oil	4,000,000	3,800,000
New Concord Development	5,000,000	2,926,373
New Continental Oil	6,000,000	6,000,000
New Davies Petroleums	4,000,000	1,863,937
New Gas Explor. of Alta.	3,000,000	1,236,751
New Pucalta Oils	6,000,000	5,000,000
New Superior Oils	4,000,000	1,519,417
North Cdn. Oils	7,500,000	4,575,906
5½% preferred	70,000	50,000
North Star Oil	600,000	600,000
Northwestern Utilities preferred	120,000	65,000
Oil Selections	10,000,000	8,060,110
Okalta Oils	3,500,000	1,800,000
Pacific Petroleums	5,000,000	4,457,566
Pan Western Oils	8,000,000	3,899,030
Parker Drilling	500,000	310,003
Pathfinder Petroleums	7,500,000	3,870,713
Peace River Natural Gas	5,000,000	2,740,050
Pembina Pipeline	1,000,000	400,000
5% 1st preferred	60,000	40,000
Peruvian Oils & Minerals	3,000,000	1,965,005
Petrol Oil & Gas	4,000,000	3,620,000
Ponder Oils	4,000,000	2,581,350
Poplar Oils	3,000,000	1,611,850
Prairie Oil Royalties	2,500,000	1,462,350
Reef Petroleums	3,500,000	3,500,000
Rio Palmer Oils	6,000,000	2,892,243
Roxana Oils	5,000,000	4,012,000
Sapphire Petroleums	7,500,000	7,235,903
Scurry-Rainbow Oil	10,000,000	4,437,699
Security Freehold Petroleums	2,500,000	1,900,000
Souris Valley Oil	5,000,000	4,037,938
Southern Union Oils	3,500,000	1,990,004
Spooner Oils	3,000,000	2,147,265
Stanwell Oil & Gas	4,000,000	3,383,334
Stuart D. A. Oil	200,000	106,122
Superior Propane	600,000	369,240
Preferred	40,000	40,000
Supertest Petroleum Ordinary	1,375,000	673,328
Common	125,000	125,000
Preferred	34,837	22,837
Texas Calgary	2,500,000	1,516,482
Trans Empire Oils	5,000,000	2,617,750
Trans-Era Oils	8,500,000	6,320,540
Trans Mountain Oil Pipe Line	5,000,000	1,500,028
Trans Prairie Pipelines	250,000	190,006
Trend Petroleums	5,000,000	4,500,000
Triad Oil	17,500,000	2,452,292
Union Gas	1,000,000	706,199
United Oils	7,000,000	6,299,256
Vulcan Oils	4,000,000	1,179,898
Wespac Petroleums	5,000,000	1,000,000
West Maygill Gas & Oil	3,000,000	1,189,000
Western Leaseholds	7,000,000	7,000,000
Western Naco Petroleums	4,000,000	850,000
Warrants	.....	425,000
Wilrich Petroleums	10,000,000	7,687,617

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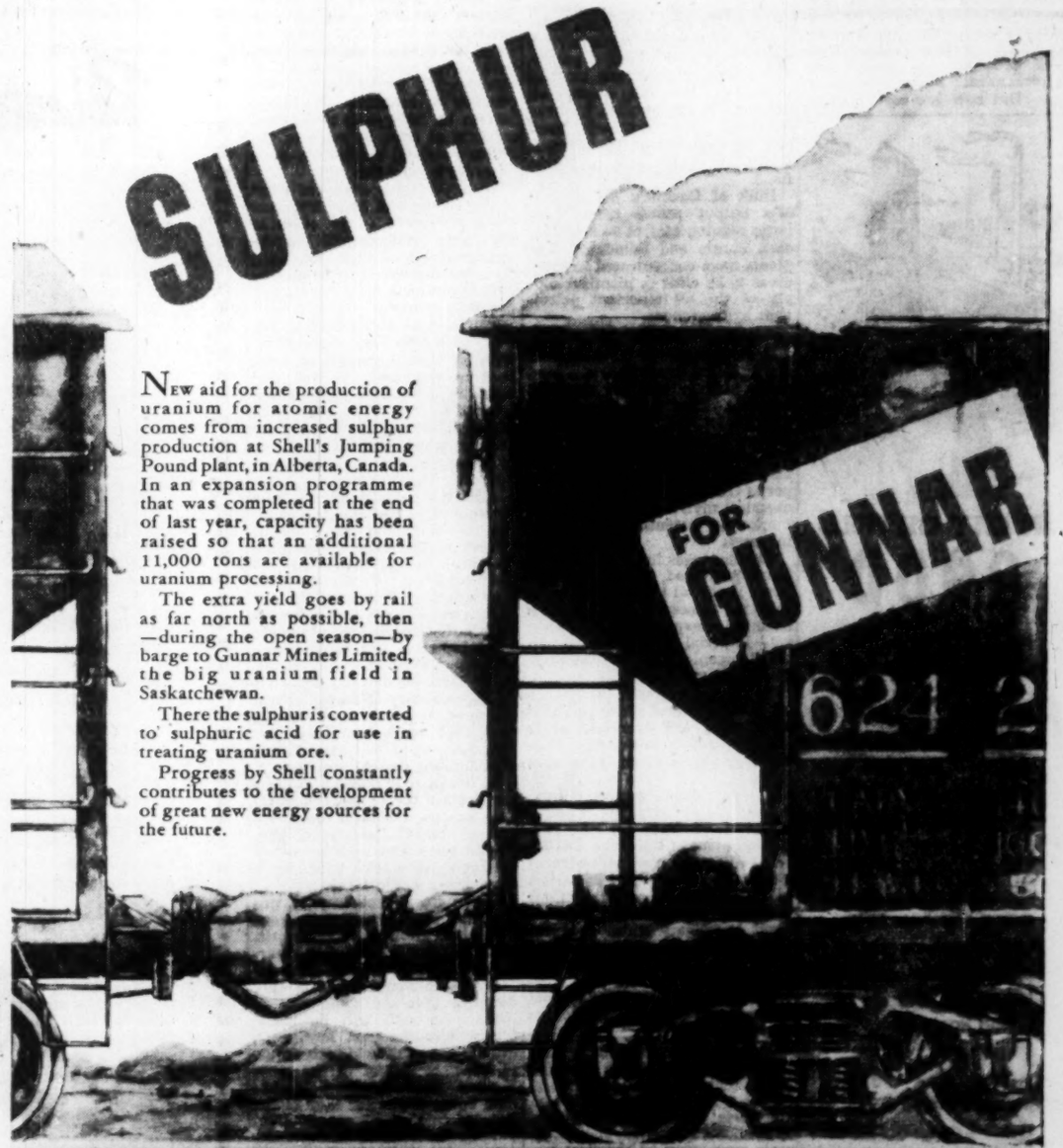

New aid for the production of uranium for atomic energy comes from increased sulphur production at Shell's Jumping Pound plant, in Alberta, Canada. In an expansion programme that was completed at the end of last year, capacity has been raised so that an additional 11,000 tons are available for uranium processing.

The extra yield goes by rail as far north as possible, then —during the open season—by barge to Gunnar Mines Limited, the big uranium field in Saskatchewan.

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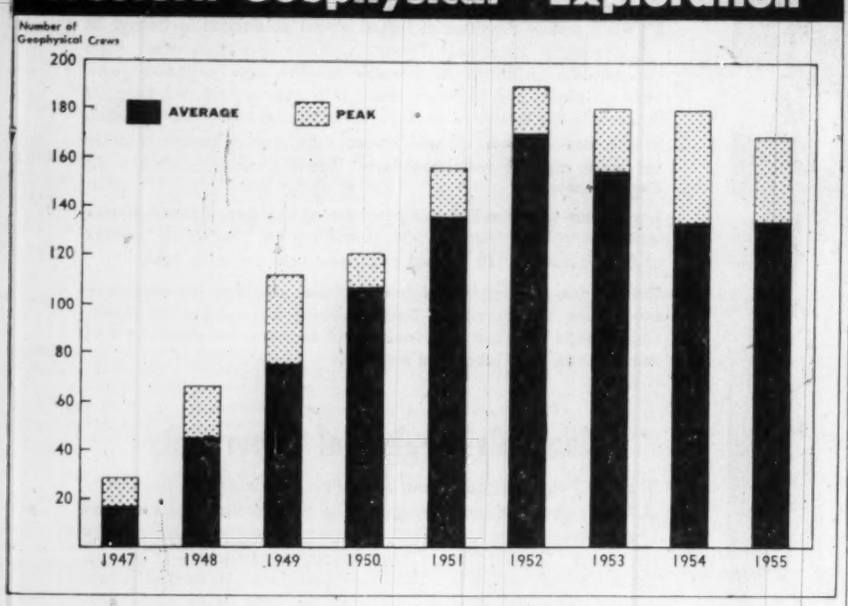

Oil Search Will Spurt in '56

Geophysical Crews Plan Stepped Up Program

According to a recent survey, geophysical work in Western Canada in 1956 is expected to reach a new high with more than the 170 crew peak of last March exceeded substantially.

To the layman, this prospect may seem "just another statistic." But for the oil industry technical expert, the figures have a far deeper meaning.

Geophysical work is the pre-drill instrument surveying carried out in the search for favorable places to seek oil. It can't tell where oil is by itself, but it can indicate possible structures which may have served as traps for oil.

Only drilling itself can tell if the geophysical "anomaly" has actually been the locale of an oil accumulation.

This surveying is of several types. There is the seismic or "recorded earthquake" technique; gravitymeter surveying which records the varying gravity pull of different strata, magnetomter surveys which records the magnetic pull of strata rather than the gravitational pull. And there are even radioactive surveys which have been found of assistance.

An upturn in the rate of geophysical work, of course, indicates that the oil industry is, if anything, planning to expand its exploratory oil drilling operations. And if larger exploratory drilling programs are carried on, chances of finding oil fields is increased.

This fall 150 geophysical crews have been active in the Canadian west with spending on this work at a rate of over $35 millions a year. On the plains it may ordinarily cost as little as $18,000 a month for a seismic party but in Northeastern B. C., cost may run up to $35,000 a month.

Geophysical firms have been called "wrinkle seekers" as they seek folds in the country's sedimentary bedding where elusive oil pools may be located.

Pattern of Exploration

The pattern of geophysical work — and oil industry exploration — has been changing rapidly in the last few years.

Practice a few years ago was to get as much geophysical work done as possible in the summer when operating conditons were favorable. That made sense then. But conditions have changed since.

The oil exploration "play" has shifted to a considerable degree to Northern Alberta and the large Peace River area of Northern British Columbia. This hard-to-work country, often covered with muskeg, is often inaccessible country in the summertime.

It is far from easy country to work in the winter but traveling is easier. The well drillers find it easier to move in heavy equipment for drilling in the winter as well.

It has been estimated that as much as 75% of the after-freeze-up geophysical program will be conducted in the Northern Alberta-Northeast British Columbia sector, starting in the Grande Prairie area and stretching beyond Fort Nelson. Bulk of the geophysical work will actually be done in B. C. So far the main discoveries in British Columbia have been gas. However, the favorable structures are thick and the prospects for oil pools in British Columbia are undoubtedly encouraging.

Next to the Peace River country the Fairway or Basin country lying between the Rockies on the west and the eastern edge of the Foothills is coming in for increased attention. This is difficult country too but the discovery of Westward Ho, etc., undoubtedly will stimulate interest. The Pembina oil area is not far further to the east.

Not Exact Science

Geophysical exploration is far from an exact science but it provides the best pre-drill information that can be secured aside from small hole structural drilling which is sometimes done before sinking of a commercial size well. The oil industry counts itself lucky if one wildcat well in five based on geophysical results finds oil. The oil industry always expects dry holes to exceed finds in the exploration phase of the business.

Canada is probably considerably luckier than the United States when it comes to the use of geophysical work for the finding of oil. Due to the greatly increased average depths being drilled in the U. S. in search of oil, the geophysicist is seen at the cross-roads. It is feared that the cost of finding the oil will equal the value in the next 10 years.

The geophysicist has been advised that they:

Must make the seismograph and gravitymeter more accurate tools of interpretation.

Must cease to develop the spurious or false anomaly.

Must improve ability to find the true crests of structures.

Must search for strat traps as well.

So far stratigraphic traps — often the host of huge pools of oil — have been impossible to establish on basis of geophysical work alone.

In the U. S., the oil discovery rate has sunk from 14 million bbls. per crew year to less than two million bbls. per crew year.

There is not the same pressure of economics in Canada to force an improvement in pre-drill exploration techniques. But it stands to reason that any improvements in techniques evolved to meet a challenging situation in the U. S. will almost certainly be found of great assistance here as well.

Cdn. Export Gas

Canadian Export Gas Ltd. was formed last year to acquire and develop proven and prospective natural gas properties in Eastern Alberta, strategically located with regard to the proposed gas pipe line to Eastern Canadian markets.

Landholdings comprise interests in 1,246,507 gross acres equivalent to net ownership of 836,102 acres in Alberta and Saskatchewan. By mid-1955 a total of 48 wells had been put down on these properties, resulting in 28 commercial gas wells and several possible oil discoveries. A further eight gas wells and an oil well were purchased. Company's net interest in these wells is equal to 100% ownership of 16.5 gas and two possible oil wells. Exploration and development is being continued in the Brooks and Atlee areas of Alberta.

Proven and possible gas reserves so far encountered total more than 1½ trillion cu. ft., of which the company's net working interest amounts to more than 500 billion cu. ft.

Possibilities of crude oil production are stated to be good in the Manyberries area where the company holds 33,600 acres. A well here flowed light oil at a rate of 330 bbls. per day. In addition, Canadian Export has possible light oil finds in the Gem and Rolling Hills areas and a medium-gravity discovery at Bassano.

Original financing was effected privately, and the first public offering of stock was made last June with the sale of 150,000 shares at $6.50 each. Capitalization consists of five million shares with a par value of 30 cents; there are 2,200,007 issued of which Canadian Prospect Ltd. holds 525,000.

Propane Sales Spiral Upward

The sales record of Canada's newest popular fuel goes spiralling upward without pause. Across ever-widening areas, it is bringing city comforts to the farmer's wife, speeding work on building sites, boosting efficiency in factory product handling, and aiding the telephone linesman in places remote from gas mains and power supply.

The use of propane—incidental byproduct from the oil and natural gas fields—is spreading at a tremendous lick into innumerable phases of industry and all kinds of homes.

Fifteen years ago, it was practically unknown in Canada. Later it was distributed in small quantities but much of it was burned as a waste product. Now it represents multimillion-dollar investment in processing and distribution plants from coast to coast and last year reached its highest-ever production level of more than 57 million gallons.

Propane is more expensive than fuel oil or natural gas but it has many advantages among which easy packaging and clean-burning properties are specially important. What made it a marketable proposition was the ease with which it can be converted into a liquid under pressure and the equal ease with which it vaporizes when the pressure is reduced. So it goes out to home, industry and commerce in four-gallon cylinders or 4,200-gal. tank trucks in liquid form, and the turn of a tap converts it into a high Btu gas which can heat the home, cook the supper, dry plaster, drive the fork-lift truck, or dehydrate milk.

New Uses

One of its important new uses is as fuel for the fork-lift trucks which formerly used other gas or oil. Some of Canada's largest manufacturing companies have gone over to it for that purpose and it has now become a substantial industrial application with each truck representing consumption of about four gallons a day.

Another new big user is Bell Telephone Co. whose men now carry it in 20-lb. portable containers for outdoor work where lead melting, etc., is involved.

Propane is the stand-by for emergencies with many of the big manufactured or natural gas distributors. Another increasing use for it is where atmosphere must be controlled in precision heat treating and other similar jobs.

Proportionately the sale of propane—main product among the liquefied petroleum gases now marketed, has matched in Canada the bouncing success it met in the U. S. where it had a five-year start. It's increasing use by home, industry and commerce has boosted the flow of liquefied petroleum gases from the western producers. Total refinery production was just a little over 500,000 35-gal. bbls. in Canada in 1951. This is how the growth picture has developed since then:

	1952	1953	1954
	(bbls. of 35 gals.)		
Maritimes & Quebec	309,431	365,288	389,776
Ontario	301,953	368,684	473,698
Sask.	6,440	42,127	65,510
Alberta & N.W.T.	415,347	543,308	682,148
B.C.	5,321	4,186	24,107
Canada	1,038,492	1,323,593	1,635,239

The consolidation among distributors has been a notable feature across Canada paralleling the growth in propane use. Scores of small companies operating in limited areas have been swallowed up by the bigger operators, and the entire distribution has attained a much more efficient level.

In Eastern Canada, biggest company in the business is Superior Propane which in the early part of this year took over Frontenac Blue Flame in the Kingston, Ont., area and is planning ahead for a 50,000-customer target with constantly expanded facilities and new applications.

In the first 10 months of this year its customer list increased 20% to 24,000 and its gallonage sales climbed 30% to 6.5 million. It extended into Owen Sound, Ont., added facilities in Thornhill, has a new bulk storage plant under construction for the Niagara Peninsula market, and plans five additional bulk storage plants.

Out west, Canadian Hydrocarbons Ltd. expects to have 29 propane plants in operation by the end of this year and 47 by the end of 1956. It and associated companies cover a marketing area from North Bay to Vancouver. Last year a number of companies in Manitoba and Saskatchewan were acquired. In May this year another major group of propane companies operating in Alberta and British Columbia were taken over. Based on a survey, the future program anticipates a potential annual market in the area now served by more than 50 million gallons within five years, and twice that much within 10 years.

Along with other companies, it is studying construction of a $20 millions pipeline to take petroleum products, but mainly propane, across the western provinces.

Similar growth, though on a somewhat lesser scale, has been shown by the other big propane distributor, International Utilities Corp. Gross sales of its propane subsidiaries of the gas and propane appliances and equipment jumped from $1.3 millions in 1950 to $3.5 millions last year. New storage and bottling plants and improvements to existing plants are planned and new production is being developed.

Cdn. Prospect

Canadian Prospect Ltd. holds freehold leases on 1,087,496 unproven acres in Manitoba, Saskatchewan and North and South Dakota, 2½% gross overriding royalty on nearly 1.4 million unproven acres of leases and reservations in Manitoba and Saskatchewan, and varying interests in 2.5 million acres of permits in Northwest Territories and 60,000 acres in British Columbia.

Company policy is to drill only development wells on lands which have been proven or semi-proven by drilling of other companies. To stimulate exploration by other firms, Canadian Prospect contributes small amounts of acreage to support the drilling of these wildcat wells.

Productive interests include 13 wholly owned oil wells in the Virden-Roselea field of Manitoba, and a participating or royalty interest in a number of other oil wells, including four on the company's royalty acreage at Alida, Sask., and three on the Nottingham, Sask., lands.

Substantial share interests are held in Canadian Export Gas Ltd. (approximately 25%) and Los Angeles Alberta Petroleum Ltd. (18.3%). Canadian Export is actively engaged in proving up gas reserves in Southeastern Alberta for export to Eastern Canada while the other company has a 50% stake in 20,000 acres and three gas wells at Denhart, Alta.

Daily production of the company now averages about 725 bbls., following reworking of the Virden wells. This for the first time provides revenue considerably in excess of operating expense, company reports. Net sales of crude oil totalled $152,914 for the fiscal year ended Apr. 30, 1955, compared with $4,945 the year previous.

Subdivision of the capital stock on a two-new-for-one-old basis was effected last July, and par value was reduced from 33 1/3 cents to 16 2/3 cents. There are now four million shares authorized, and outstanding shares number 2,722,062.

Devon-Leduc Oils

A substantial improvement in the liquid position of Devon-Leduc Oils was effected last summer when 500,000 treasury shares were sold to Dutch interests realizing $762,500. Subsequently the company retired all of its 5% sinking fund bonds.

At the time of the new financing it was reported the proceeds would permit development of the company's lands and acquisition of certain large minerals rights. A little later the company acquired in excess of 432,000 acres uranium prospecting rights checkerboarded over 21,900 sq. miles in Northwestern New Mexico.

The property was reported in the Laguna Grants section of the Colorado Plateau where the Haystack mine, first uranium discovery in New Mexico, is located.

Anomalies were reported indicated by air reconnaissance and development plans have been arranged.

Devon-Leduc has considerable productive interests in the Pembina area.

North Cdn. Oils

Joint ownership of North Western Pulp & Power Co. with St. Regis Power Co. is expected to mean substantial earning power for North Canadian Oils. It has been estimated that this shareholding will mean earnings of $3 millions a year after interest and depreciation but before taxes.

Completion of the big mill of North Western Pulp & Power at Hinton, Alta., is scheduled for the spring of 1957. All necessary financing has been arranged. Capitalization of North Canadian after $10 millions of financing is reported at $4 millions of 4½% first mortgage sinking fund bonds, $3.5 millions of 5% general mortgage bonds, $2½ millions of 5½% cumulative redeemable preference shares and 4,700,906 common shares.

An oil strike was reported in the fall in the Big Stone-Heathdale area where the North Canadian group was entitled to acquire a 50% interest in two separate blocks of 5,500 acres each by supplying costs of a drill test on each block.

Production revenue in the year ended March 31, 1955, had amounted to $321,177 with a loss of $51,762 after all charges against a $71,557 profit the previous year.

The Company is engaged in the exploration for and the development of petroleum and natural gas properties in Western Canada as well as the development of uranium properties in the Beaverlodge area of Saskatchewan. The shares of the Company are listed on the Calgary and Edmonton Stock Exchanges. Further information may be obtained from the Head Office of the Company.

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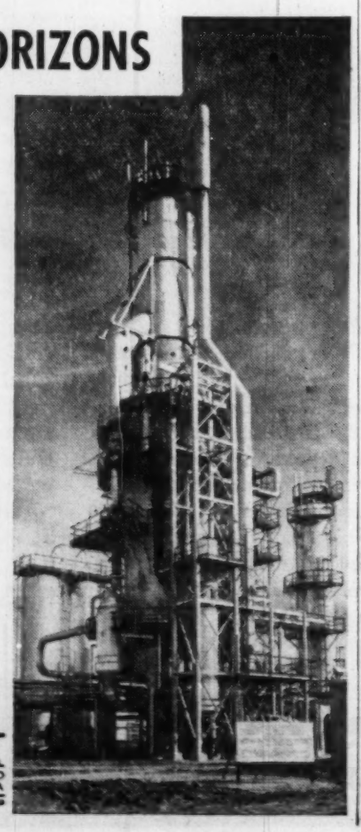

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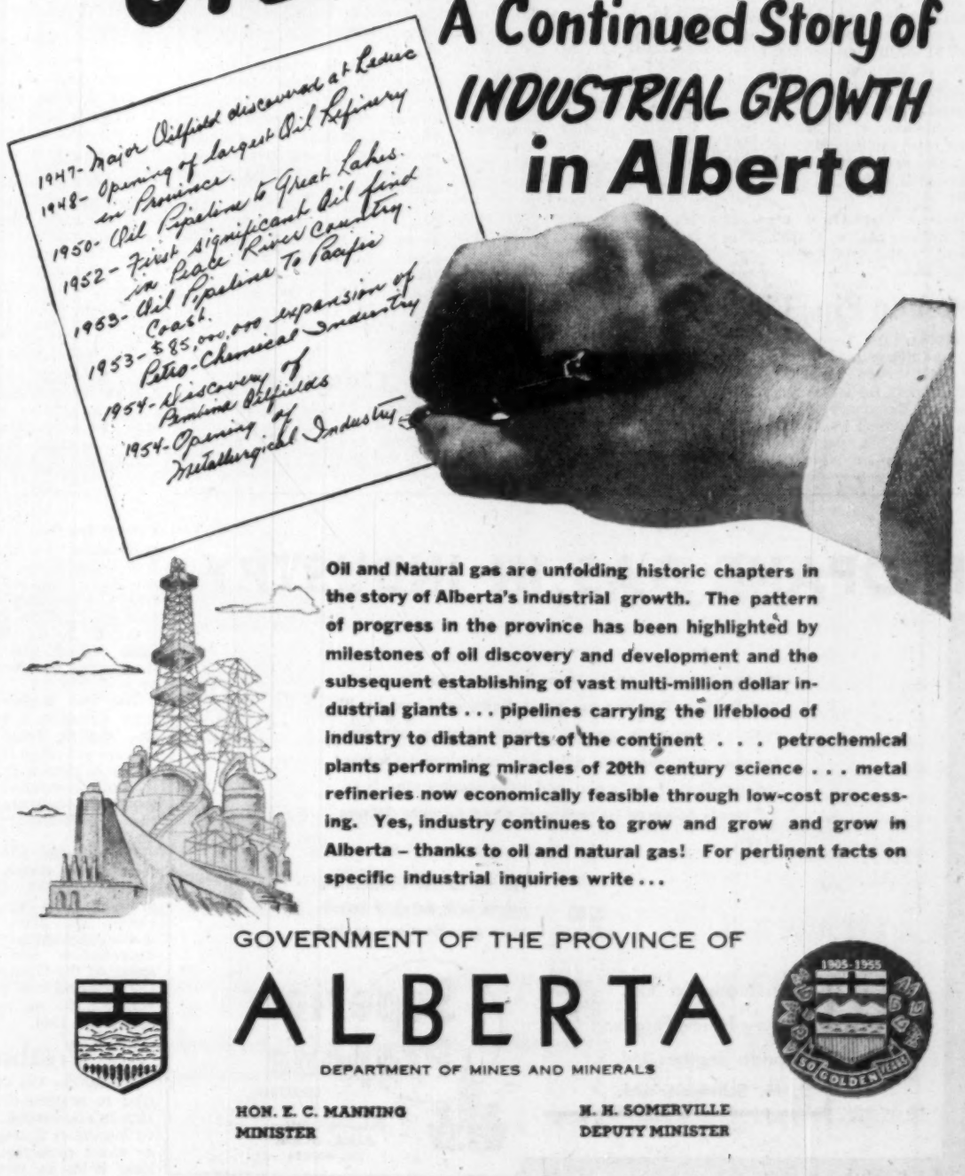

Oil and Natural gas are unfolding historic chapters in the story of Alberta's industrial growth. The pattern of progress in the province has been highlighted by milestones of oil discovery and development and the subsequent establishing of vast multi-million dollar industrial giants . . . pipelines carrying the lifeblood of industry to distant parts of the continent . . . petrochemical plants performing miracles of 20th century science . . . metal refineries now economically feasible through low-cost processing. Yes, industry continues to grow and grow and grow in Alberta – thanks to oil and natural gas! For pertinent facts on specific industrial inquiries write . . .

GOVERNMENT OF THE PROVINCE OF

ALBERTA

DEPARTMENT OF MINES AND MINERALS

HON. E. C. MANNING, MINISTER

H. H. SOMERVILLE, DEPUTY MINISTER

Here's Outlook for Pipeline Firms

Interprovincial Pipe Line

Interprovincial Pipe Line Co. owns and operates the world's longest crude oil pipe line. It stretches from the Redwater field in Alberta, via Edmonton, Regina, Gretna, Man, and Superior, Wis., to Sarnia, Ont.

Present length of the line totals some 1,750 miles, and it is planned to extend it even further to Clarkson, Ont., probably in 1958. In the meantime, in line with the company's policy of providing sufficient capacity as it is required, many sections of the main line have been looped, and further looping is planned for next year at a cost estimated at $9 million.

Present intake capacity of the line at Edmonton is 217,000 bbls. per day, from Regina 193,000, and from Gretna 163,000, with deliverability at Sarnia of 147,000 bbls. daily. Tankage facilities totaling approximately 8,006,000 bbls. are maintained by the system.

During 1954 the line received 67.6 million bbls. of crude, a 25% increase over 1953. Of the 1954 total, about 9.7 million bbls. were delivered to the Trans Mountain pipe line at Edmonton, and 31 million to refineries in Eastern Canada. In the first half of this year 36 million bbls. were transported.

Consolidated net profit for the six months ended June 30, 1955, was $2,902,711, equal to 50 cents a share, compared with $6,051,520 or $1.20 a share for the full year 1954. Operating revenue was higher in proportion in 1955, but interest charges and depreciation both increased substantially.

Dividend payments were increased this year to an indicated rate of 80c per share per annum, from the previous yearly rate of 60c. Capitalization at Dec. 31, 1954, consisted of 5,039,832 common shares issued and outstanding. Funded debt totaled $157,626,575.

Trans Mountain

Trans Mountain Oil Pipe Line Co. owns and operates a 718-mile pipe line which transports crude oil from Edmonton to refineries in the Vancouver area and the State of Washington.

Present capacity of the line is 150,000 bbls. per day with four pumping stations installed. Ultimate capacity is 300,000 bbls. The main line was completed and placed on stream in October, 1953, and an extension to a new refinery at Anacortes, Wash., was completed in July of this year and regular deliveries are now being made.

Throughput for the first nine months of 1955 averaged 79,101 bbls. per day, compared with an average of 36,270 bbls. daily for the corresponding period of last year. It is estimated that deliveries for the final quarter of this year will average about 100,000 bbls. per day.

Gross revenue for the nine months ended Sept. 30, 1955, aggregated $10,411,210, as against $4,634,556 for the 1954 nine-month period. Net profit so far this year is $2,045,924, equivalent to $1.36 per share, after providing for normal income taxes of $1,821,810. This profit compares with a net loss of $1,982,017 for the first nine months of last year.

Company reports that the 1955 net profit, together with income tax reductions of $1,535,642 resulting from the loss years of 1953 and 1954, exceeds by $314,845 the accumulated deficit of $3,266,721 at Dec. 31, 1954.

The bank loan which stood at $11.6 millions at Jan. 1, 1955, was reduced to $9.3 millions by September 30.

Pembina Pipe Line

Pembina Pipe Line Co. owns and operates a pipe line which transports crude oil from the Pembina field for a distance of 70 miles to Edmonton, Alta. The main line, which has a capacity of 115,000 bbls. per day, was placed on stream Nov. 15, 1954, but the 200-mile gathering system is not expected to be fully completed until 1958 or 1959. Cost of the entire system including gathering facilities is estimated at approximately $14,191,000.

Throughput is presently averaging about 45,000 bbls. per day, compared with an initial flow of about 7,500 bbls. This increase has resulted in three reductions in the tariff to 12 cents a barrel from the original charge of 25 cents. The latest reduction became effective Sept. 1, 1955. The increase in throughput and resultant decline in tariffs were made possible by the rapid growth of the Pembina field.

Application has been made by the company to the Alberta Petroleum and Natural Gas Conservation Board for permission to construct a pipe line from Edmonton south to the new Westward Ho-Sundre oil fields. This line would also tap the Rocky Mountain House and Alhambra fields en route. Two other companies have also applied to construct pipe lines from this area. One would build the line to Edmonton and the other proposes to run south to Calgary. All applications are being held over until early next year.

Net earnings of the company for the next 10 years, based on an 8½% return on daily throughputs of only 23,200 bbls. in 1955, and approximately 50,000 bbls. each year thereafter, were estimated at $428,000 for 1955, increasing to $695,000 for 1960 and declining to $631,000 for 1964. Earnings per share on this basis would be $10.70 on the preferred and 82 cents on the common in 1955, increasing to $17.38 and $1.49, respectively, in 1960, and decreasing to $15.78 and $1.33, respectively, in 1964.

Peace River Pipe Line

Peace River Oil Pipe Line Co. is constructing and will own a pipe line for the transportation of crude oil from the Sturgeon Lake field in northwestern Alberta, to the Trans Mountain pipe line at Edson, Alta. The line is scheduled to be completed and in operation before the close of this year.

The line will consist of approximately 106 miles of main trunk line and about 57 miles of gathering lines. Initial capacity will be about 40,500 bbls. per day, with a planned maximum capacity of 57,600 bbls. Cost of the line is estimated at about $7,099,600.

Construction of the line is under the supervision of Canadian Gulf Pipe Line Co., which will also operate and maintain the system under contract with the company. A shipping agreement has been entered into with the originating group of four Canadian and five American oil production companies, all of which have oil wells in the Sturgeon Lake field. They have agreed to use the pipe line exclusively for shipping oil produced by them in the area that is sold for delivery to markets served by the company for so long as any series A first mortgage bonds are outstanding.

Estimates of net profit, based on average daily throughputs of 15,618 bbls. in 1956, increasing to 22,663 in 1961, 1962 and 1963 and declining to 20,069 bbls. in 1970, range from $377,300 for 1956 to $268,600 for 1970.

Altex Oils

A member of the New Superior group of companies, Altex Oils held, as at May 31, 1955, a stake in 29 producing oil wells equivalent to net ownership of 4.08 wells, and in seven gas wells equal to 1.04 net wells. The gassers are capped awaiting the opening up of a market.

Since May the company has acquired a 15% stake in 3 quarter-sections in the Pembina field of Alberta, on which six productive oil wells are expected to be completed. A bonus of $595,000 was paid by the group acquiring the acreage and development costs are expected to total around $500,000, of which the company's undertaking is 15%. The necessary funds are being obtained by a bank loan repayable out of production. Gross recoverable reserves of these lands are conservatively estimated at approximately 1.23 million barrels.

Development is also being participated in by Altex on a lease of 11,818 acres in Alberta's Rocky Mountain House area. Here seven wells have been completed and are producing light oil from the Cardium sand, and several step-out locations are to be drilled this year to further evaluate the extent of the pool. Altex has a 10% interest.

Net oil reserves of the company were estimated at 350,000 bbls., not including the reserves underlying the Pembina lands. Acreage holdings total 176,315 gross acres, or 17,358 acres net to the company, located in Alberta, Saskatchewan and Montana. Of the total, 83,636 gross (15,144 net) acres are leased lands, 83,559 gross (2,157 net) acres are held under reservation and 9,120 gross (57 net) acres are gas licenses.

Net production revenue for the fiscal year ended May 31, 1955, amounted to $96,780 after royalties. Oil production increased during the year but its value was lower due to a reduction in the price of crude oil. After all expenses including write-offs of $95,331, net loss was $40,990, compared with a loss of $57,868 in the year ended May 31, 1954.

Trans-Prairie Pipe Line

Trans-Prairie Pipe Line Co. owns and operates a pipe line which transports crude oil from the Daly and Virden-Roselea fields of southwestern Manitoba to the Interprovincial pipe line at Cromer, Man.

The system has a present capacity of 10,000 bbls. per day, which can be increased to 15,000 bbls. with the addition of pumping equipment. From commencement of operations on Sept. 1, 1954, to Mar. 1, 1955, daily throughput averaged approximately 5,000 bbls. However, the over-all average for 1955 is expected to be around 8,900 bbls.

A reduction of two cents per bbl. was effected by the company as of Oct. 1, 1955. This was the second such reduction this year.

Annual net profit based on an average daily throughput of 4,500 bbls. is estimated at $78,200; on 6,000 bbls. at $120,000; and on 7,500 bbls. at $132,125. Actual net profit for the four months ended Dec. 31, 1954, was $32,544 after allowing for depreciation of $18,683.

Saskatoon Pipe Line

Saskatoon Pipe Line Co. owns and operates a 56-mile crude oil pipe line which extends from the Interprovincial pipe line to the Saskatoon refinery of Royalite Hi-Way Ltd.

The line commenced operations on Nov. 1, 1952, and has a present daily capacity of 10,000 bbls. A deficiency agreement with Royalite Hi-Way Ltd. (formerly Hi-Way Refineries Ltd.) provides that if in any year to 1975 the company shall fail to make net earnings of $255,000 after operating expenses but before bond interest, depreciation and income tax, Hi-Way will, subject to certain conditions, make up the difference. Also if the company is unable to pay in full any bond interest, etc., requirements, Hi-Way will purchase at par 4% unsecured promissory notes of the company to the amount of the deficiency.

Net profit for the year ended Dec. 31, 1954, was $45,044, compared with $90,418 the year previous. Authorized and issued capital is 100,000 no par value shares, of which 80% are owned by Royalite Oil Co. Ltd. Funded debt comprises $1,149,500 bonds due 1972.

Calalta Pet.

Calalta Petroleums has a 75% stake in two wells in the Lloydminster heavy-gravity oil field, and varying interests in 716,240 acres in Alberta and Saskatchewan. Most of these lands are farmed out for exploration to other companies. Calalta also holds 75,000 shares and subscription warrants covering a further 25,000 shares of Canada Oil Lands Ltd.

At Springburn, Alta., 28 shallow structure-test holes were put down on approximately 40,000 acres in which the company has 40% interest. Heavy-grade oil was discovered and the lands have been farmed out to Colorado Oil and Gas Co. and Okalta Oils. This agreement calls for further geophysical work and a minimum commitment of one deep test well by the two companies.

Reservation lands at Mitsue Lake, Frog Lake, Entrance and Loon Lake, Alta., are farmed out to Union Oil of California, which can earn a 75% share by drilling a test well on each block. The company's Carbondale, Savanna Creek and Coleman reservations are held by Shell Oil Co. under a similar arrangement. The Savanna Creek lands commence just five miles south of a large gas discovery. West Canadian Petroleums can earn 75% interest in a 20,000-acre reservation at Manyberries by drilling a well thereon.

Total income of the company was $3,448 for the year ended Dec. 31, 1954. Authorized capital is 5 million shares of 25 cents par value. There are 3 million shares outstanding following the recent sales of 200,000 shares at 60 cents a share and 50,000 at 30 cents.

Canada Oil Lands

Primarily a landholding and exploration company, Canada Oil Lands Ltd. has interests in four capped gas wells and an oil well in Alberta and in undeveloped acreage in all the Prairie Provinces and Ontario.

Company's acreage holdings include interests ranging from 14% to 100% in 1,110,173 acres of leases and 248,365 acres of reservation lands in Alberta, 2,041 leased acres in Saskatchewan, 3,200 acres of leases in Manitoba and 700,000 acres in southwestern Ontario. Royalty interests are also held in approximately 7,856,460 acres in Saskatchewan and 4,480 acres in Alberta.

Authorized capital stock was recently increased to three million no par value shares through the creation of one million new shares. There are 1,363,412 shares issued.

Inland Natural Gas

Inland Natural Gas Co. is engaged directly and through its four wholly-owned subsidiaries in exploring for, production and transmission of natural gas from the Peace River area of Alberta and British Columbia.

The company has also contracted to purchase gas from Westcoast Transmission Co. and plans to distribute it in the interior of B. C. It proposes to construct a lateral transmission line to bring natural gas to the Okanagan Valley and communities in southern B. C. A series of relatively short laterals is also to be built to service Prince George, Quesnel, Williams Lake and neighboring districts.

Franchises are being sought by the company for the distribution and retail sale of the gas in the populated areas along the route of its own lateral transmission line and along the route of the Westcoast Transmission Company's line.

Two of the subsidiaries, Peace River Transmission Co. Ltd. and Grande Prairie Transmission Co. Ltd., operate natural gas pipe lines. The former owns an 18-mile line which services the villages of Pouce Coupe and Dawson Creek, B.C. Volume of gas sold in the year ended June 30, 1955, was 555,417,000 cu. ft., an increase of 9% over the preceding year. A further increase in sales is expected this year and the reserve capacity of the company's pipe line is expected to be absorbed shortly. To offset this it is proposed to build a second line into Dawson Creek next spring.

Grande Prairie Transmission operates a 55-mile line from the Rycroft gas field to several towns in Alberta. In the year ended June 30, 1955, its first year as a subsidiary of Inland, the company earned a net profit sufficient to provide a return on the capital invested in it. New contracts since signed will increase the throughput by 300 million cu. ft. by mid-1959.

The two exploration subsidiaries, Canadian Northern Oil and Gas and St. John Gas and Oil Co., are estimated to own reserves of gas in excess of 150 billion cu. ft. Both companies have signed long-term contracts for the sale of gas to Westcoast Transmission Co. Ltd.

Consolidated income of Inland for the year ended June 30, 1955, totalled $115,814, all from the operations of the two pipe line companies. This figure was after deducting operating expenses and depreciation and prior years losses of the Grande Prairie line. Consolidated net profit for 1955 was $26,395 as compared with $8,832 for 1954.

Westburne

Westburne Oil Co. was organized to acquire diversified holdings in oil, natural gas and related industries through investments or direct participation. The company holds no direct interests in any oil or gas production or properties.

At June 30, 1955, the company's investment portfolio consisted of 76.4% shares of oil companies, 18.3% cash and 5.3% debentures and notes. Cost of the investments was $3,711,092, while market value was $3,703,050. Cash on hand totalled $830,000.

Gross revenue for the six months ended June 30, 1955, amounted to $46,716. This compares with $88,556 for the full year 1954. Net profit for the first half of 1955 was $31,364 as against $52,230 for all of 1954.

Cdn. Williston

Canadian Williston Minerals holds an undivided one-half interest in the lessors or landholders royalty (such royalty normally being 12½%), in approximately 8,000 parcels totalling 1,439,000 acres of freehold mineral interests in southern Saskatchewan and southwestern Manitoba.

Each parcel entitles the company to a 50% share in perpetuity in such royalty on the minerals, excluding coal, in partnership with the registered owner of the minerals and gives it the option, on the termination of the existing leases, to acquire petroleum and natural gas leases on such for a period of 99 years.

Company has an authorized capital of 6 million shares with a par value of 6 cents. There are 3,965,000 shares issued, of which 63.43% are owned by Anglo American Exploration Ltd.

Liberal

Most important holding of Liberal Petroleums promises to be its 14 1/3% net carried interest in a reservation covering 100,000 acres in the South Sturgeon Lake field, Alberta.

The tract is under development at no cost to Liberal by Hudson's Bay Oil and Gas Co. and Union Oil of California, who are keeping six drilling rigs in constant operation thereon. So far 12 good light-oil wells have been successfully completed on the northern portion of the block. Open flow potentials of the wells range up to 4,500 bbls. per day, and primary reserves of oil underlying the reservation have been estimated by experts to be from 50 million to 80 million barrels.

Other interests include 30% and 10%, respectively, in two oil wells at Leduc and a 75% stake in 13 heavy-grade oil producers at Blackfoot, Alta. Liberal's share of reserves of these wells is estimated at approximately 1.5 million barrels.

Recently the authorized capital was increased to 5 million shares by the creation of 2 million new shares, and the par value was changed from no par to 25 cents, in the interests of U. S. shareholders.

According to the company no new capital is required at the present time but the increase was effected in order that funds could be raised without delay if and when required. There are 2,917,765 shares outstanding.

SASKATCHEWAN

THIS prairie Province of famed wheat production is flexing its industrial muscles. Young, growing Saskatchewan offers opportunities unlimited to industry seeking new profitable locations for plants and factories. Here is a new unexploited field for industry in the center of an expanding Western Canadian market. Potash and uranium, oil and natural gas, and a wealth of other industrial mineral resources have focussed world attention on Saskatchewan.

Companies are spending millions here on the development of raw materials for new industry. Oil production for the first six months of 1955 increased 110 percent over the same period in 1954.

Natural gas production has doubled. Gas pipelines are spreading out across the province. Saskatchewan has abundant power, choice plant sites for large and small industry, excellent air and rail facilities, fuel, labor and markets.

Canada's Province of Opportunity

IF YOU are thinking about relocation, expansion or dispersion, think about Saskatchewan. The Saskatchewan Industrial Development Office has a Staff of expert economists and industrial engineers. Consult them without charge or obligation. Financial assistance is available. Write for complete information about specific industrial opportunities here for both large and small industry. The door is wide open. The time was never better for industry to settle in the big roomy heart of the Canadian West. Saskatchewan is a place to go to grow.

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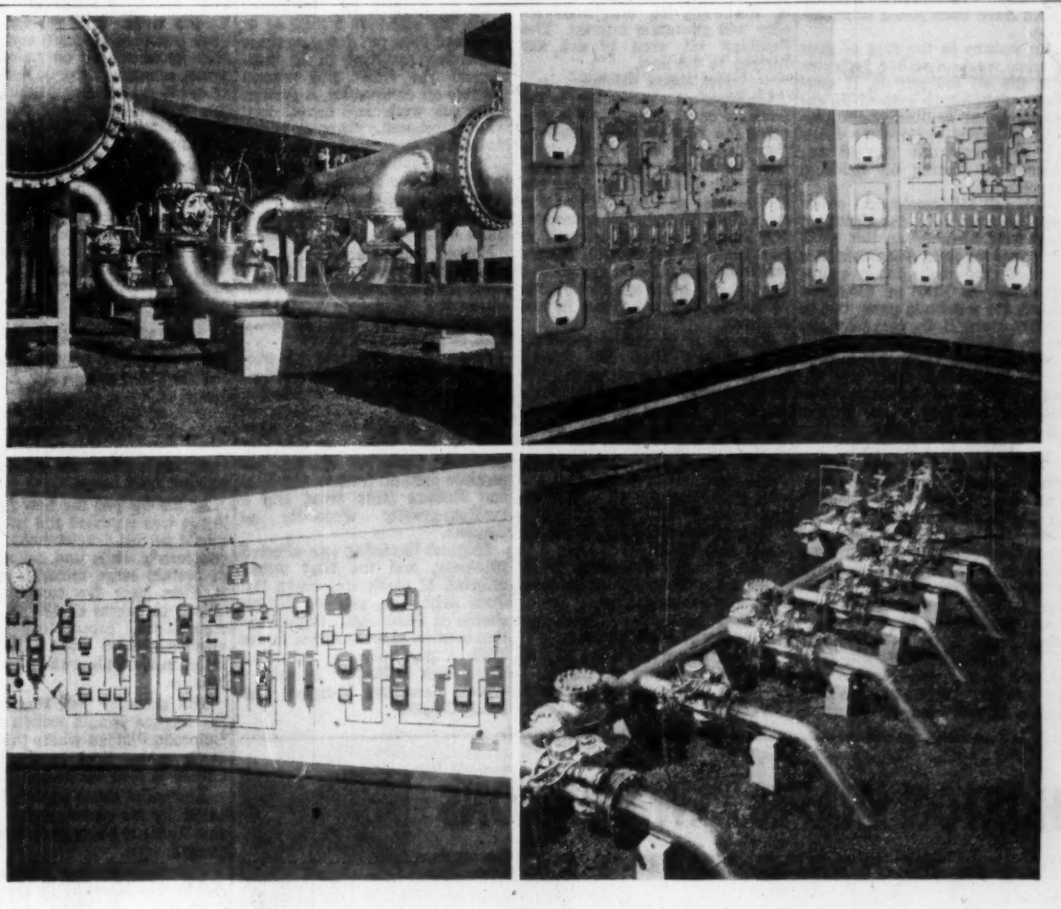

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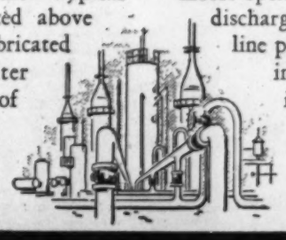
In the oil fields, in large refineries, and in pipe line gathering systems, pumping stations, metering and regulating manifolds, as well as tank farms . . . wherever this precious "black gold" is handled, the men behind the scenes depend on Peacock for reliable, trouble-free equipment. Typical Peacock installations illustrated above are: *Upper left:* Nordstrom lubricated plug valves installed on filter manifolds in pumping station of eastern Canadian pipe line. *Lower left:* Foxboro Model 50 Consotrol instruments on a fluid catalytic cracking, fractionation and gas recovery panel in a British Columbia refinery. *Upper right:* Foxboro Model 40 and Model 50 instruments on graphic control panel in large western refinery. *Lower right:* Nordstrom motor-operated valves on pump suction and discharge manifolds in Canadian pipe line pumping station. Throughout the industry—in production, in refining, in transmission—Peacock installations are making the job easier.



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Future Shaping for Natural Gas Companies

Competition—And Opportunity—Growing Among Gas Distributors

These are momentous years for Canada's natural gas industry. As what at first appeared near insurmountable problems are overcome two large-scale gas pipeline systems will be built in this country — one on the West Coast, the other the ambitious trans-Canada pipeline to Eastern Canada.

As an estimated 3,000 miles of "big inch" pipelines are constructed in this country to feed natural gas to distant, waiting markets a new era will dawn for the entire gas industry. Not only will gas utilities currently operating on manufactured gas be able to branch out into major expansion programs based on ready availability of the more competitive, lower-priced fuel but many new gas utility firms will be formed to supply natural gas to dozens of new communities along the route of the spreading pipeline systems.

Keen competition has grown up among several newly formed gas distributing companies which are actively seeking gas franchises to supply municipalities in central and northern Ontario. Plans here are to supply a number of towns and cities with natural gas. The new distributing companies would finance the expenditure programs in the various municipalities and by obtaining a number of franchises be able to offer the areas the economies arising from large-volume gas purchases.

The conversion problems being faced by the big Toronto gas utility — Consumers' Gas Co. of Toronto—are somewhat typical of the industry. Consumers' which is saddled with a stiff gas "take or pay" contract with Texas suppliers must build up load rapidly. In drawing up its rate schedule Consumers' have had to make rates in the most promising customer categories attractive. But faced with a continuing expansion program and need for new financing there is a strong desire to retain the unbroken dividend record on the common stock.

Canadian gas consumption is steadily climbing. Total for both manufactured and natural gas has jumped a further 25% during first seven months of the current year. Actually use of manufactured gas has declined; the sharp rise in consumption of natural gas has accounted for all the gain. This will show a sharply stepped-up pattern over the next few years as natural gas service is provided to more and more municipalities.

Consumers' Gas

Consumers' Gas Co. of Toronto is engaged in the distribution of gas in Toronto and the surrounding municipalities. It also maintains retail stores for the sale of gas appliances. It carries on business under the statutes and municipal bylaws which grant it the nonexclusive right to operate in the areas served without limit as to time.

In November 1954 natural gas became available and company completed conversion of its system to this product in February this year. Previously the company produced and sold only manufactured gas.

Consolidated net profit for the year ended Sept. 30, 1955 was $964,457, 47.7% lower than $1,843,753 in the previous fiscal year. Earnings were equivalent to 66c ($1.27) per common share and dividends amounted to 80c (80c). Although company did not earn its 1955 dividend and probably will not do so in 1956, it intends to continue these dividend payments.

The voluntary rate reductions to make natural gas prices comparable with other fuels, plus the costs of the changeover from manufactured gas and a major expansion program were responsible for the lower profit.

The downward trend in the number of gas customers during the past few years has been halted and reversed. After the two-year initial development program following the conversion to natural gas, the greater acceptance together with increasing sales and declining costs will bring a growing improvement in profits and earnings, said President A. L. Bishop.

The rapid growth in the period since the conversion in February is shown by 3,667 new house-heating installations, new industrial contracts for a minimum 579 billions cu. ft. annually, 51 sq. miles of new areas being served and the equivalent of 296 miles of three-in. main laid to the new service areas. The average residential use of gas has risen from 15.37 Mcf in 1954 to 16.86 Mcf in 1955 due to the increased use for water and house-heating.

The introduction of natural gas and the reduction in rates to a level competitive with other fuels has caused an increase in the annual sales volume of 1,054 billion cu. ft., or 29.4% over the 1954 volume based on a comparable natural gas heat content, said vice-president Oakah L. Jones.

However, a comparison with the earnings and expenses of the previous year is difficult because of the complete change during the year when operations were partially on manufactured gas and partially on natural gas, company said.

Company policy is and will be to ask the approval of the Ontario Fuel Board for the lowest rates practical. Voluntary rate reductions will enable the company to maintain a satisfactory competitive position in relation to other sources of energy. Company's first voluntary rate reduction on natural gas became effective in February and reduced customers' bill by approximately $2.5 millions annually. The board approved a further voluntary reduction of $550,000 which became effective Oct. 1.

The proposal to build a Canadian pipe line to make Western Canada natural gas available to Ontario and Quebec is still being developed. Company has been negotiating with Trans-Canada Pipe Lines Ltd. for the purchase of western natural gas and for use of a portion of the Niagara line capacity for the transportation of the gas required by Trans-Canada for its proposed Montreal market.

During the year company completed the first stage in its three-year program of extension of main lines into Metropolitan Toronto areas before home and commercial development has started. The over-all cost amounted to $3.5 millions. In addition company is laying extensions into surrounding communities as rapidly as possible after obtaining their permission. Additions to property, plant and equipment in 1955 amounted to $4.9 millions and are estimated at approximately $7 millions for 1956.

The cost of the coal gas plant and equipment abandoned in the changeover to natural gas was $2.7 millions and was charged against accumulated depreciation.

Company made arrangements in late 1954 for the refunding of the outstanding debentures from the proceeds of the sale of $9 millions 3¾% first mortgage bonds and $7.5 millions 4¼% debentures. Approximately $8.7 millions was used for redemption of previous debentures and the balance for capital additions and general corporate purposes.

Capitalization outstanding at Sept. 30, 1955 included $9 millions 3¾% first mortgage sinking fund bonds, Series A due Nov. 1, 1974; $7.5 millions 4¼% sinking fund debentures, due Dec. 1, 1974; and 1,455,520 common shares, $10 par.

Cdn. West Nat. Gas

Canadian Western Natural Gas Co. is controlled by International Utilities Corp. It produces and distributes natural gas for heating, power and industrial purposes to Calgary, Lethbridge and various towns and villages in Alberta, serving a population of over 220,000.

The company owns or controls renewable natural gas leases on approximately 35,000 acres, and participates with others in an additional 25,000 acres in Taber and Drumheller areas. Producing wells are owned in the Bow Island, Brooks and Foremost fields. The company has contracted with the Madison Natural Gas Co. (subsidiary of Royalite Oil Co.) for the purchase of gas from the Turner Valley oilfield.

Company owns 372 miles of transmission lines and 472 miles of distributing mains in Calgary, Lethbridge and neighboring towns, necessary equipment and over 240 miles of private telephone lines.

Company's subsidiary, Calgary Gas Co., is inoperative, owning franchises and rights in regard to the supplying of gas to the City of Calgary nominally valued at $2 millions.

Net profit for the year ended Dec. 31, 1954 was $1,042,942, 42.7% higher than $730,653 in the previous fiscal year. Earnings were equivalent to $3.79 ($4.86) per preferred share — based on 275,410 shares at the end of 1954 and 150,410 at the end of 1953. Earnings on ordinary shares were equivalent to $11.53 ($7.63). Dividends amounted to 80c (80c) per preferred share and $7 (nil) per ordinary share.

Of the increase in net profit approximately $102,000 was due to a change in the calculation of depreciation charged for income tax purposes. The cost of natural gas purchased increased to $3,259,729 from $2,994,106.

The volume of gas sold rose to about 31 billion cu. ft., an increase of 9.8% over 1953. Part of this increase was due to abnormally cold weather; had normal temperatures prevailed during the two years the increase would have been only 5.8%. The revenue from gas sales rose 12.8% to $8.3 millions; under normal temperatures the increase would have been only 8.9%.

The greater proportionate increase in revenue than in volume was due to the fact that the bulk of the increase was in the higher priced domestic and commercial gas and only a relatively minor amount in the lower priced industrial gas, said President F. A. Brownie.

The number of customers increased by more than 3,700 bringing the total to over 58,000. Gross capital additions were approximately $2,250,000 and those for 1955 were estimated at $2,734,000.

Of the 1955 estimates approximately $1.2 millions was earmarked for an extension to the towns of Raymond, Magrath, and Cardston which lie south and west of Lethbridge.

To assist in the financing of the 1954 and 1955 capital programs, the company issued in November 1954 $2.5 millions 4% preferred shares.

The company met the increased gas requirements mainly by additional purchases from Shell Oil Co.'s plant at Jumping Pound.

Significant gas discoveries have been made at Sarcee and Savanna Creek, 15 miles and 60 miles respectively, southwest of Calgary, and may make important contributions to company's gas supply, it was stated.

Further development drilling by Shell in the Olds field, about 60 miles north of Calgary, has established that this is a condensate field with the gas containing substantial quantities of hydrogen sulphide. However, company has deferred plans to serve communities between Red Deer and Calgary from this source, due to the possibility that within two or three years Alberta Gas Trunk Line Co. will construct a large diameter pipe line in the vicinity. This pipeline will form part of the provincial gathering system Alberta Gas will construct in connection with the export of gas to Eastern Canada.

Canadian Western wishes to extend the benefits of natural gas service to these communities and will continue its efforts to provide such service from the trunk line or any other suitable source.

Capitalization outstanding at Dec. 31, 1954 included $7.2 million 3½% Series A first mortgage bonds, due April 1, 1971; 275,410 4% cumulative redeemable preferred shares, $20 par; and 80,000 ordinary shares, $100 par.

Northwest Util.

Northwestern Utilities Ltd., controlled by International Utilities Corp., is engaged in the production, transmission and distribution of natural gas in Central Alberta. The principal market is the city of Edmonton but the company also serves about 31 other communities including Red Deer and Wetaskiwin. The communities served have an aggregate population of about 253,000 and company served over 60,000 customers during 1954.

The company owns in fee simple or under lease, gas rights on 290,900 acres in the Viking-Kinsella field, about 77 miles east of Edmonton. The field has a producing area of 300,000 acres. The company now operates 88 producing wells in this field, of which it owns 83, and also owns nine wells not connected to the system.

The company has natural gas rights of about 27,000 acres east of the Viking-Kinsella field, none of which has been proven as gas-producing.

The rock pressure of the gas produced by the Viking field is sufficient to deliver gas at Edmonton without pumping.

In 1954 a 40-mile, 12-inch pipe line costing $1.4 millions was constructed from the Bonnie Glen-Wizard Lake fields to bring an initial 15 Mcf oil field residue daily to Edmonton. A smaller line run to the Acheson field will deliver about 3 Mcf daily. The 1954 program amounted to $3.7 millions and the 1955 program was estimated at about $2.5 millions.

Early in 1955 the estimated marketable gas reserves in the fields then connected to the company's system were 1,712 billions cu. ft. This included 536 billions cu. ft. at Bonnie Glen-Wizard Lake, 528 billions cu. ft. at Leduc-Woodbend and 467 billions cu. ft. at Viking-Kinsella.

Sales of natural gas in 1954 amounted to over 33 billions cu. ft., 29% higher than in 1953. The largest increase was in the industrial section where sales rose 53% to 11 billions cu. ft. Domestic sales rose 15% to 12 billion cu. ft. and commercial sales rose 21% to 10 billion cu. ft.

Net profit for the year ended Dec. 31, 1954 was $1,758,992, 66.4% higher than $1,057,219 in the previous year. Depreciation charged was $1,059,038 ($912,473) and income taxes amounted to $943,496 ($666,246).

Earnings per preferred share were equivalent to $27.06 (on the 65,000 shares outstanding) compared to $26.43 (on 40,000 shares) in the previous year. Dividends amounted to $4 in each year.

During 1954 the company issued $4.5 millions Series F 4¾% first mortgage sinking fund bonds, due Jan. 15, 1979; and 25,000 additional preferred shares.

Capitalization outstanding at Dec. 31, 1954 included $18,825,000 first mortgage bonds, due 1971-79; $2,478,000 3⅛% promissory notes payable, due Sept. 1, 1969; 65,000 cumulative redeemable 4% preferred shares, $100 par; and 170,000 common shares, $25 par (all owned by International Utilities Corp.).

International Utilities

International Utilities Corp., through subsidiaries, is engaged in the management and development of natural gas and electrical companies and properties in Alberta. The head office of the company is in New York and its two natural gas utilities, Northwestern Utilities Ltd., and Canadian Western Natural Gas Ltd., operate in Edmonton and central Alberta and Calgary and southern Alberta, respectively. They are the largest of their kind in Canada.

An electrical utility, Canadian Utilities Ltd., operates in Eastern and Northern Alberta, and in 1953 the company acquired three subsidiaries which distribute propane gas in Alberta, Saskatchewan and British Columbia.

Company's subsidiaries consist of:

Canadian Western Natural Gas Co.; Northwestern Utilities Ltd.; Canadian Utilities Ltd.; Northwest Fidelity Trust Co.; Sturdie Propane Ltd.; Hugh Gas Ltd.; and Propane Gas Service Ltd.

Company also handles an investment portfolio.

Estimated marketable gas reserves at Dec. 31, 1954 amounted to 1,712 billion cu. ft. in the Northwestern system and 775 billion cu. ft. for the Canadian Western system. Both have sufficient gas reserves to satisfy their expanding market requirements, and it is estimated that sufficient reserves are being developed within economic distances to provide both companies with natural gas at a reasonable cost for the next 30 years.

Consolidated net profit for the nine months ended Sept. 30, 1955 was $2,222,981, 5.3% lower than $2,346,307 in the same period of 1954. Net profit exclusive of net profit on sales of investments (after taxes) was $1,402,242 in the 1955 period and $410,984 in the 1954 period. Earnings were equivalent to $15.90 ($9.54) per preferred share and $1.92 ($2.16) per common share.

Under the new Canadian income tax regulations, which became effective at the beginning of 1954, the subsidiaries can claim maximum depreciation for tax purposes without charging it in their accounts. Accordingly they claimed approximately $1.2 millions additional depreciation for tax purposes in 1954. Consequently, the consolidated provision for Canadian and U. S. income taxes for 1954 was reduced by about $400,000 and company expects that additional depreciation for 1955 will result in a somewhat greater reduction in taxes.

Company's investment in Trans-Canada Pipe Lines Ltd., including payments made in 1955, amounts to $700,000, about 12% of Trans-Canada's common stock.

Natural gas sales in 1954 increased to 64,233 Mcf sold to 118,798 customers, from 54,024 Mcf to 110,388 customers in 1953; propane gas customers were estimated at 28,000 (22,600); and electrical sales amounted to 89.6 millions (82 millions) kwh. sold to 31,811 (28,408) customers.

Consolidated net profit for 1954 was $2,973,044, 33.1% higher than $2,233,399 in 1953. Earnings were equivalent to $14.61 ($9.08) per preferred share and $2.63 ($1.96) per common share. Dividends amounted to $1.40 ($1.40) per preferred share and $1.45 ($1.40) per common share.

Company is paying common dividends at the rate of $1.60 per annum, established with the quarterly payment of 40c per share in December 1954. The previous rate was $1.40.

The profit was after deducting $2,144,400 ($1,810,994) subsidiary income taxes and $1,931,700 ($1,547,816) provision for amortization and depreciation.

Expenditures of subsidiaries for additions and improvements in the seven years 1948-54, inclusive, have totaled approximately $56.6 millions. Of this amount $9 millions was spent in 1954 and 1955 expenditures were estimated at $10 millions.

Expenditures during 1954 included:

—Cost of 42-mile, 12-in. pipeline from Edmonton to the Bonnie Glen field.

—Addition of six miles of field lines, 58 miles of transmission and 104 miles of distribution lines.

—Installation of Canada's first gas turbine in the Vermilion plant.

—Installation of new storage and bottling plants by the propane companies.

Expenditures during 1955 include:

—Extensions to the towns of Raymond, Magrath and Cardston costing $1.2 millions.

—New power site at Forestburg to help meet the growth of demand for power in Vegreville and Drumheller districts to cost

(Continued on page 50)

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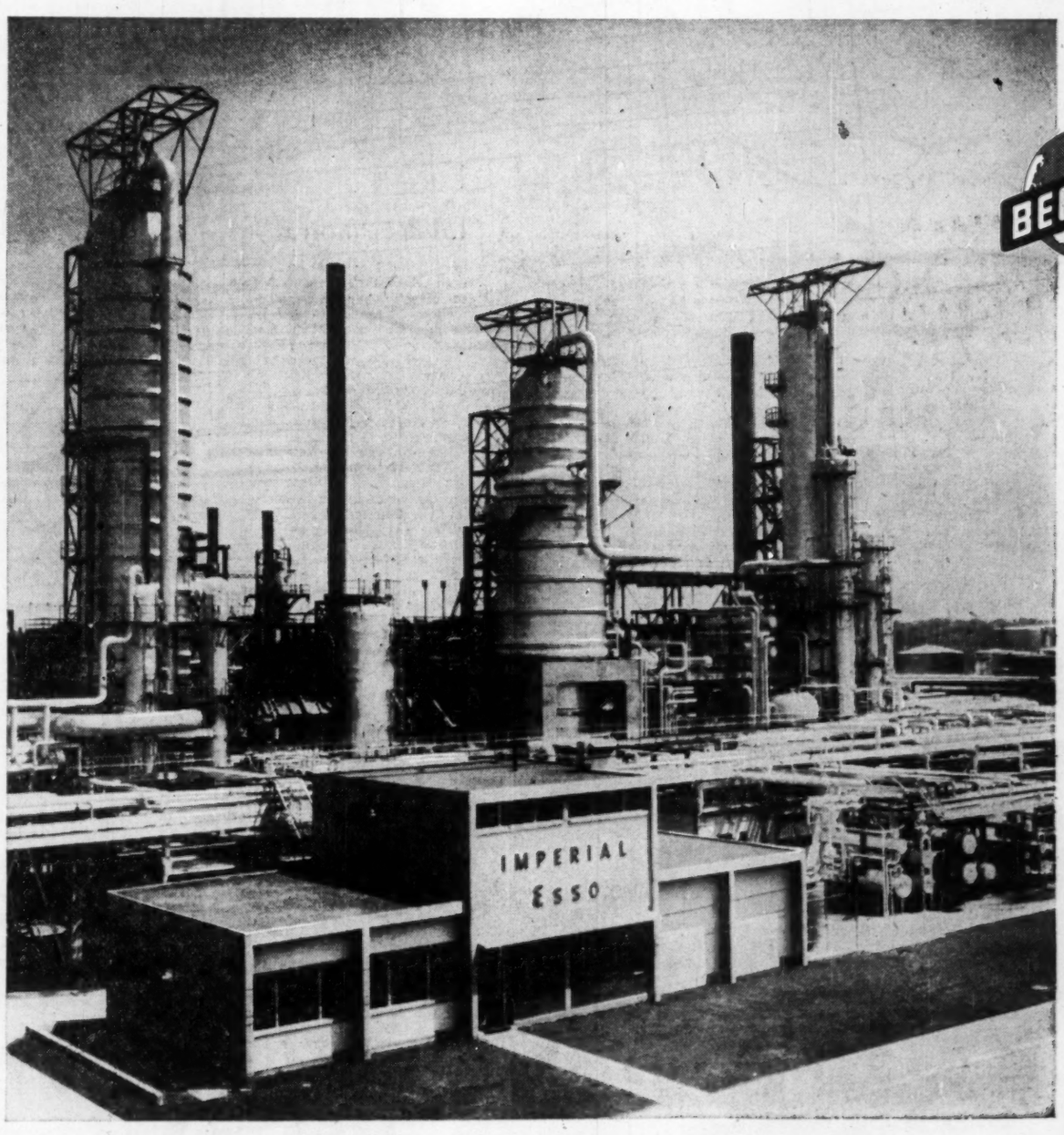

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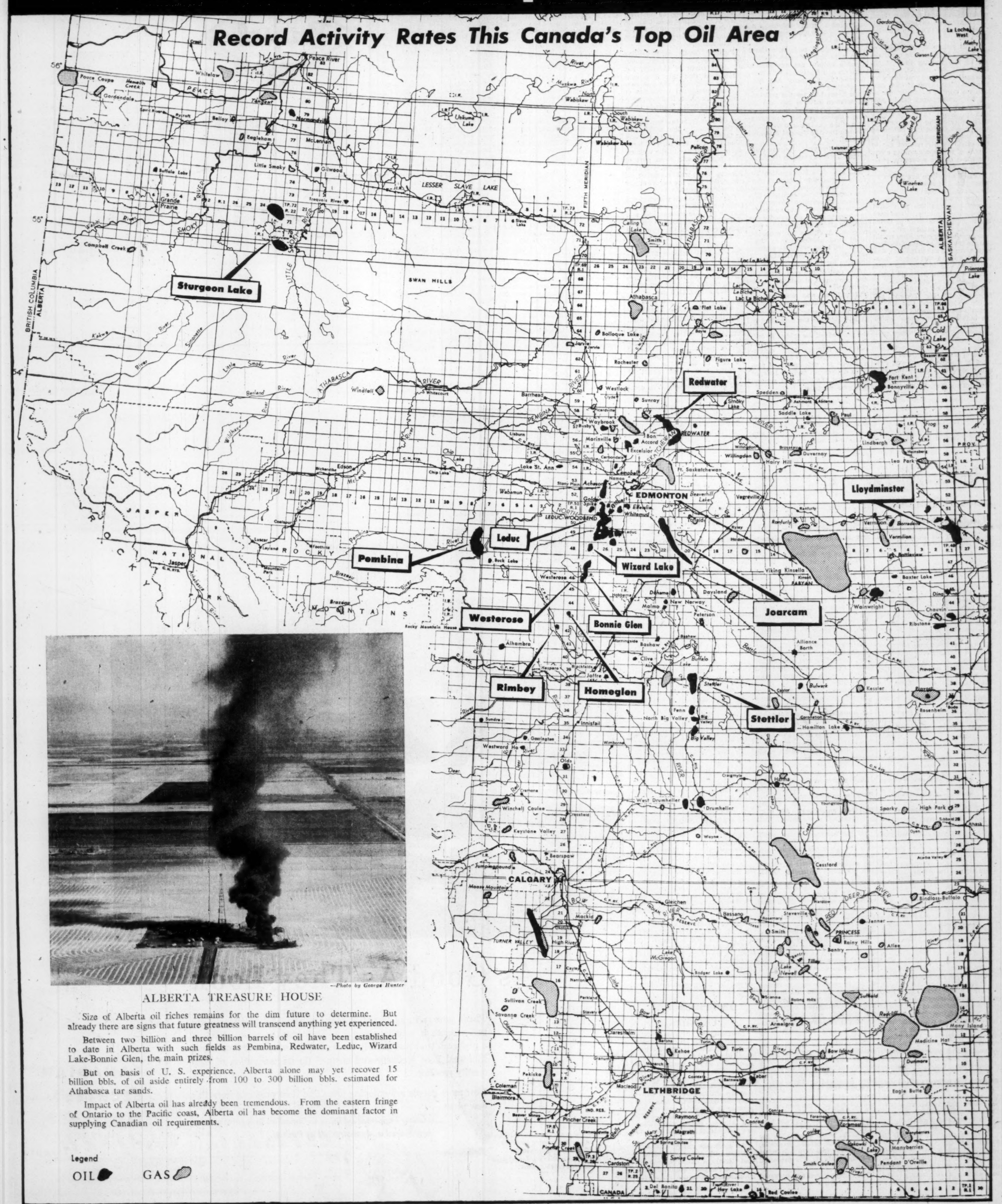


—Photo by George Hunter

ALBERTA TREASURE HOUSE

Size of Alberta oil riches remains for the dim future to determine. But already there are signs that future greatness will transcend anything yet experienced.

Between two billion and three billion barrels of oil have been established to date in Alberta with such fields as Pembina, Redwater, Leduc, Wizard Lake-Bonnie Glen, the main prizes.

But on basis of U. S. experience, Alberta alone may yet recover 15 billion bbls. of oil aside entirely from 100 to 300 billion bbls. estimated for Athabasca tar sands.

Impact of Alberta oil has already been tremendous. From the eastern fringe of Ontario to the Pacific coast, Alberta oil has become the dominant factor in supplying Canadian oil requirements.

Legend

OIL GAS

Page-Hersey Tubes Ltd., Toronto, has been supplying a great deal of the piping for western gas, as well as oil pipe lines. Gas distribution pipe made at the company's Welland mills is shown here being installed on a street in Saskatoon, Sask., in August 1953. Page-Hersey supplied the gas distribution piping required for the city of Saskatoon, and for the city of Prince Albert, Sask. The eastern pipe firm also manufactured over 400 miles of piping up to 14 in. for gas transmission lines from the Brock gasfields to Saskatoon, and from Saskatoon to Prince Albert.

Page-Hersey Charts Expansion

Multi-Million Program Leads to 'Big-Inch'

Page-Hersey Tubes Ltd.—Canada's largest manufacturer of steel pipe for use in the oil and gas industries—has launched a multi-million-dollar expansion program.

Major project is a boost in production of company's electric-resistance weld mill. This is the only mill of its kind in Canada and present annual output of millions of feet of pipe is allotted chiefly for oil and gas transmission lines.

Company is also nearing completion of a $3-million-dollar modernization program at its seamless pipe mill at Welland, Ont. The seamless mill modernization will make it possible to start producing seamless casing for western oil and gas wells, as well as increase present production and size-range of seamless tubing for wells.

Along with Steel Co. of Canada—Canada's biggest steel producer—company is looking into possibility of construction of Canada's first pipe mill to make "big inch" pipe. To cost at least $10 millions, the plant would make pipe in diameters ranging from 20-in. to 36-in. This plant would be a joint venture designed to supply the growing demand of the gas and oil industries for pipe of larger sizes than are now manufactured in Canada.

Pipeline Market

Canada's two major gas pipe lines, for instance — Westcoast Transmission and Trans-Canada Pipelines — will require more than 3,000 miles of 24-in. to 34-in. pipe over the next two to three years. Although a new Canadian mill may not be able to get into production soon enough to command a major share of this market there is a good chance that it could bid for the 700-mile trans-Canada section stretching from Manitoba to Kapuskasing in Northern Ontario.

Page-Hersey's electric-weld mills at Welland are going full blast to meet current oil and gas pipe contracts. Just recently, for example, company was awarded the contract to supply all of the 12-in. piping for a 109-mile oil line being built to service fields in the Estevan district of Southeastern Saskatchewan. The order also includes six-inch piping for a seven-mile spur line, and pipe varying from four to eight inches in size for the 65 miles of gathering system associated with the new Saskatchewan line.

Earlier in the year trains puffed out of Welland with big loads of 4-in., 8-in., 12-in. and 16-in. pipe headed for the northwest area of Alberta, where it was used in the construction of an oil line connecting fields in the vicinity of Sturgeon Lake, with the Trans-Mountain Pipeline pump station near Edmonton, Alberta. This job alone required over 150 miles of pipe.

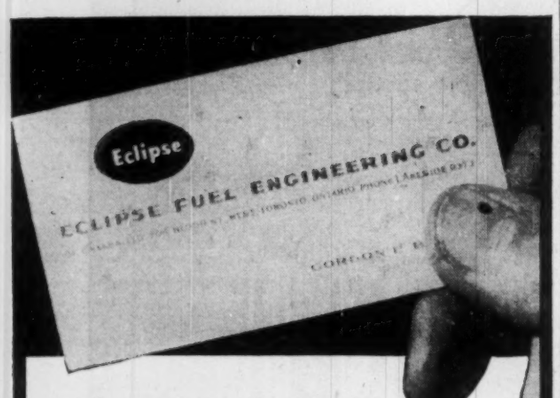
Also counted among the major post-Leduc jobs which have meant pipe from Page-Hersey have been the 1954-55 construction of the 16-in. line and gathering system from the Pembina oilfields to Edmonton, which called for about 300 miles of pipe; a 132-mile line of 16-in. pipe from the Fosterton fields to Regina; and big lines in the east, carrying western oil to markets as far as the Toronto area.

Distributes Gas

The company has gone heavily, too, into the gas-transmission and distribution-line business in the west, and over the period from 1953 to 1955 supplied the Saskatchewan Power Corp. with about 400 miles of piping up to 14 in. for lines from the Brock gasfields to Saskatoon, and from Saskatoon to Prince Albert.

In addition, it supplied the smaller sizes of pipe required by the Corporation to service its natural gas customers throughout Saskatoon and Prince Albert, involving hundreds of miles of pipe up and down the streets of both cities.

In the east, the Toronto firm has been busy supplying pipe which probably will eventually distribute natural gas from the west to the heavily built-up Southern Ontario areas. The Consumers' Gas Co. of Toronto, as well as the Union Gas Co. of Canada and Dominion Natural Gas Co., both with thriving businesses in Southwestern Ontario, have all been using large quantities of Page-Hersey pipe for their transmission and distribution systems.



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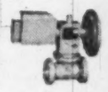
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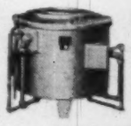
Air-Gas Mixers New adjustable-jet models

Blowers Air; gas boosters

Boilers Vertical, fire-tube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Oil Co. Progress Reports

Western Naco

Western Naco Ltd. holds varied interests in 20 oil and three gas wells in the Prairie Provinces, equivalent to net ownership of 5.6 oil and 1.3 gas wells. The latter are capped pending development of a market. Landholdings total 180,286 gross acres, or 40,044 acres net to the company.

The fiscal year ended May 31, 1955, was the most active one in the company's history, and notable progress was reported to have been made. Due to the recapitalization and refinancing carried out earlier this year and revision of the management contract with Dome Exploration (Western) Ltd., the company was able to participate with Dome in an extensive exploration and development program.

This has resulted so far in completion of 25 wells, of which five were oil discoveries or field extensions and seven were field wells, one was a gas strike and 12 were dry. Naco's interest ran from 10% to 20% in these projects. Company is also participating in further work in various wildcat areas of Western Canada, and will take a 5% share in drilling two wells offsetting the Whiteside oil discovery south of Saskatchewan's Smiley field. Two more wells are also planned in the Drumheller field of Alberta; Naco will have a 50% share.

Production to the company totaled 62,462 bbls. in the year ended May 31, 1955, compared with 66,219 bbls. the year previous. This was all derived from the Drumheller field, but since the 1955 fiscal year-end, substantial new sources of production have been established in Saskatchewan and Manitoba. Negotiations are also under way to unitize the Drumheller pool, which would increase the company's take and permit more economic and efficient operation of the field.

Early this year the company reorganized its capital on the basis of one new share for each four old shares held, and issued $750,000 secured convertible 5½% debentures due 1970. The debentures are currently convertible into stock at the rate of 600 shares per $1,000 debenture.

West Maygill

West Maygill Gas & Oil Ltd. is developing natural gas reserves in several areas of Alberta in addition to a normal oil development program. It will be among the prime suppliers of gas to export markets.

Interests are held in 23 oil and 25 gas wells in Alberta and Kansas, equivalent to 100% ownership of 7.1 oil and 6.7 gas wells. Landholdings comprise 311,057 gross acres, or 188,036 acres net to the company.

Oil reserves are estimated at 6,060,000 bbls., including 525,000 proven, 1,825,000 probable and 3,690,000 possible. Most of the latter reserves are in Wyoming. Gas reserves are given at 140.8 billion cu. ft., of which 35.3 billion are rated as proven, 52 billion are probable and 53.5 billion are possible. All the gas reserves are located in the Steveville, Namao, Hanna-Craig Lake and Viking-Kinsella areas of Alberta. Recent discoveries have also been made at Scovil Lake and Pouce Coupe.

Mining properties were also acquired this year with the staking of 126 mineral claims in the Bigspruce Lake area of the Northwest Territories. The district staked is an ultra-alkaline nepheline syenite intrusive plug about 5½ miles long and 2½ miles wide. Intrusives such as this have elsewhere yielded columbium, titanium, radioactive and rare earth minerals. An airborne survey and a mapping and sampling program are recommended.

Monthly income was reported in September of this year to be running at about $12,000. Capital comprises three million shares, and there are 1,259,000 shares issued.

Blue Crown

Blue Crown Petroleums has a 60% share in two and 70% in four oil wells in the Campbell-Namao field, Alta., and one third in two heavy-oil producers at Lloydminster, and has a stake in natural gas lands and undeveloped potential oil acreage in Alberta and B. C. A wholly owned subsidiary owns a well-drilling rig.

Control was recently acquired of Vermilion Consolidated Oils Ltd. through an exchange of stock on the basis of one Blue Crown share for 100 of Vermilion. This resulted in acquisition of 55% of the outstanding shares of Vermilion, which has seven gas wells supplying the town of Vermilion with most of its gas requirements.

Exploration in which the company is participating includes a four-well program on 2,640 acres in three counties of Kansas, and a 6¼% stake in a project covering about 5 million acres in Cuba. First well drilled here encountered excellent tertiary basin but was unproductive. A geological exploration project is under way.

In British Columbia the company farmed out its permits on about 130,000 acres to Pacific Petroleums, and retained a 10% carried interest therein. Oil reserves are estimated at 2,505,000 bbls. heavy-grade oil at Lloydminster and 700,000 bbls. of light crude at Campbell. Reserves of gas at Namao and Amisk Lake are rated at 8.5 million cu. ft.

Financing arrangements made early this year resulted in the retirement of bank loans and payment of all obligations, leaving a working capital of $119,071 as at April 30. Authorized capital is 5 million shares, of which 2,453,340 are issued.

Consol. Allenbee

Consolidated Allenbee Oil and Gas Co. has an interest in 18 oil producers and in 20 gas wells in Alberta and Saskatchewan, and in 74,080 acres of unexplored lands in those provinces.

Fourteen of the oil wells are in the Leduc field, and the company's share therein ranges from 30% to 100%. Most of the gassers are on a 50,000-acre permit in the Steveville area of Southern Alberta, farmed out for development to Canadian Export Gas Co. The latter firm has agreed to complete 27 wells on the tract at no cost to Allenbee, which retained a 20% carried interest.

Company also holds 25,000 shares in each of Israel Mediterranean Oil Co. and Israel Oil Co. Inc., which hold extensive permit lands in Israel.

Net recoverable reserves of oil are estimated at 650,000 bbls. and gas reserves at 760 million cu. ft. at Leduc, plus proven developed, undeveloped and probable oil reserves of 545,000 bbls. in the Lloydminster heavy-gravity oil field.

There are 5,477,023 shares issued out of 6 million authorized. Funded debt is composed of $500,000 convertible 5% sinking fund debentures due 1960. These are convertible into stock on the basis of 255 shares per $500 debenture to Dec. 24, 1955, 210 shares to the end of 1956 and lesser amounts thereafter.

Lloydminster Dev.

Lloydminster Development Co. has carried out an extensive drilling program in the Lloydminster black-oil field. All of its oil production is sold to refineries in the area, and its natural gas to an affiliate, Lloydminster Gas Co.

It holds 100% in eight, 50% in four and 25% in one gas well plus 100% in five, 50% in 24, 75% in one and 67% in two oil wells. All are located in the North and South Lloydminster, South Lone Rock, Blackfoot-Durness and Maidstone sectors of the general Lloydminster area.

Net production of the company totaled 111,353 bbls. of oil and 408,902 Mcf. gas in 1954, for an aggregate value of $191,217. For 1953, production of oil amounted to 95,627 bbls. and of gas, 256,803 Mcf, with a value of $154,776. Gross earnings for 1954 were $247,000 compared with $165,000 for the year previous.

Oil reserves were estimated at approximately 4,206,000 bbls. at Nov. 30, 1954, while gas reserves were 2.904 billion cu. ft.

Pontiac

Directly and through wholly owned subsidiaries, Pontiac Petroleums has a share in eight producing oil wells in Texas and in two in the Leduc field, Alberta. Also owns two drilling rigs and operates as a drilling contractor.

In Israel the company has an agreement with Israel Continental Oil Co. to explore 800,000 acres of permits for a 50% working interest. Pontiac would pay all drilling costs as well as 50% of completion costs if commercial production is obtained. Company arranged with two other groups to finance drilling of the first well, which was dry.

Revenue from drilling contracts, oil sales and equipment rentals totaled $347,594 in the fiscal year ended Jan. 31, 1955. Cost of drill contracts was $345,523, net general expenses were $116,220 and other charges and write-offs aggregated $549,718, resulting in a net loss of $663,867.

Capitalization is 5 million shares. There are 3.2 million outstanding, including 400,000 sold recently at 33c a share, 100,000 at 38c and 200,000 at 90c a share.

Lloydminster Gas

Lloydminster Gas Co. produces and distributes natural gas to more than 1,700 customers in the town of Lloydminster and the villages of Kitscoty and Blackfoot, Alta. Distribution is effected through more than 67 miles of transmission and gathering pipe line.

The company was the discoverer in 1934 of the Lloydminster field and owns 2,500 acres of leases in the field. It draws natural gas from its own seven wells and from 22 wells of other producers. In addition it has a call on large gas acreage in the district.

Dividends have been paid continuously since 1933, with payments since 1950 being made at the rate of four cents per share per annum. Capitalization is one million shares of no par value; there are 536,655 shares issued. Funded debt amounts to $336,500.

Total revenue for the fiscal year ended June 30, 1955, amounted to $199,584, nearly all of which was derived from the transportation and sale of gas. Net profit for the year was $18,638, compared with $18,339 for the 1953-54 year.

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Future Shaping for Gas Companies

(Continued from page 47)

$6.8 millions ($2.9 millions to be spent in 1955).

—Additions to Fairview and Fort St. John plants.

Capitalization outstanding at last report included 139,776 cumulative convertible $1.40 preferred shares, $25 par; and 1,069,807 common shares, $5 par.

Company has no funded debt itself, but the funded debt of its subsidiaries was $37,863,000 at year-end and total preferred stocks of and minority interest in subsidiaries totaled $16,164,357.

Union Gas Co. of Canada

Union Gas Co. of Canada, Chatham, Ont., operates distribution systems, transmission lines, gas wells, gathering lines and storage facilities to provide natural gas to a wide area of Southwestern Ontario. Serving a population area of more than 500,000 persons, the company supplies centres including London, Windsor, Chatham, Wallaceburg, Dresden and Petrolia.

Gas sales in 1954 reached an all-time high for the company, 12.5 billion cu. ft., an increase of 14% over 1953. Of the total, 61.5% went to residential customers, 15% to industrial accounts, 11.6% for commercial use and 11.9% was sold on a wholesale basis for resale. Customers listed on company books increased by 4,561 during the year to 89,192 and some 8,000 gas-fired, central house heating units were installed.

The company drilled several additional wells, mainly in development of known gas pools in Lambton County in an effort to add to supplies of Ontario natural gas. Sixteen wells, 10 of them producers, were drilled by the company and several others were drilled in conjunction with other companies. Drilling for this year is primarily explorative, aimed at discovering new gas production areas.

Gas from the company's own wells provided 1.8 billion cu. ft. of last year's total. Another 5.3 billion cu. ft. were purchased from Ontario producers and 5.4 billion cu. ft. were imported from the U. S.

The company has a contract with Panhandle Eastern Pipe Line Co., dated Nov. 1944, for 5.5 billion cu. ft. a year delivered during the summer months. Another dated April, 1954 for up to 15.5 billion cu. ft. a year extending 20 years from the commencement of delivery, is currently awaiting U. S. Federal Power Commission approval.

Another agreement was signed with Trans-Canada Pipe Lines in January this year for annual provision of up to 15.5 billion cu. ft. of gas from Western Canada for 20 years after delivery commences. When this delivery begins, the Panhandle contract calls for cancellation of the 1954 agreement and an end of deliveries under the 1954 agreement.

The company has plans for additional storage, pipeline and compression facilities when all the necessary government clearances are given either the Panhandle 1954 or Trans-Canada 1955 agreements. Included is construction of a large diameter line from the Dawn underground storage area to a point near Hamilton, Ont. If gas becomes available under the Trans-Canada contract, this line will be extended to connect with Trans-Canada facilities at the delivery point near Oakville, Ont.

Receipt of gas from either company will make possible construction of feeder lines to serve Hamilton, Waterloo, Kitchener, Guelph, Stratford and other communities in Southwestern Ontario.

Net profit last year was $1.9 millions, equal to $2.75 a share, compared with $1.7 millions or $2.42 a share in 1953.

Great Northern

Great Northern Gas Utilities Ltd. is a holding company whose subsidiaries are engaged in the distribution of natural gas in Alberta, natural and propane gas in British Columbia, manufactured gas and propane in Ontario, and hydro-electric power in Yellowknife, N.W.T.

Formerly known as Alberta Consolidated Gas Utilities Ltd., the name was changed to the present one in May 1954, because of the extension of the company operations into B. C. and Ontario.

Company owns no fixed plant and equipment of its own, but the property of its subsidiaries consists, in the case of gas utility companies, of regulating stations and the usual system of gas transmission and distribution pipelines and other equipment, and, in the case of the electricity utility company, of transmission and distribution lines and other equipment.

Gas supplies for systems controlled by the company come partly from purchases at relatively low rates from other supplies.

Consolidated net profit for 1954 was $211,212, 129.9% higher than $91,880 in the previous year. The improvement was due to the normal growth in revenues, the inclusion of a full year's operations of Great Northern Gas Co., inclusion for a portion of year's income of North Shore Propane Co. (acquired in June 1954) and benefits realized only late in 1954 of a new source of propane for Bottled Gas Ltd. Good weather conditions during the early months of 1954 and a revision of depreciation and amortization charges of certain subsidiaries were also contributing factors, said President L. Sanford Reis and Chairman Charles E. Garnett.

Gross additions to property amounted to $1.3 millions, an increase of 20%. Company completed and put into operation new distribution systems in Fort St. John, B.C., and in Barrhead and Drumheller, Alta. In November 1954 company purchased a one third interest in Lakehead Natural Gas Ltd., Ont., and in December made an investment in Alberta Gas Trunk Line Co.

In June 1954 a new subsidiary, Plains-Western Gas & Electric Co., was incorporated to acquire the assets of the following direct wholly owned subsidiaries of Great Northern Gas Utilities:

Athabasca Utilities Ltd., Barrhead Utilities Ltd., Calmar Utilities Ltd., Drumheller Utilities Ltd., Fort St. John Utilities Ltd., Hanna Heat & Power Ltd., Leduc Utilities Ltd., Morinville Utilities Ltd., St. Paul Utilities Ltd., Stettler Utilities Ltd., Westlock Utilities Ltd., and Yellowknife Power Co.

Other subsidiaries of company are Bottled Gas Ltd., in B. C., Great Northern Gas Co. and North Shore Propane Co. in Ontario.

The company initiated a rate revision program covering certain of the older natural gas subsidiaries which were not covering cost of service plus a fair return.

During the year company reduced funded debt by operation of the sinking fund and conversion of 6% convertible debentures into common shares.

In order to construct the three new distribution systems, company in early 1954 arranged for bank credit of $750,000; and in December sold 15,000 preferred shares, $50 par, accompanied by warrants to purchase 30,000 common shares, at prices from $5 per share to the end of 1958 and gradually increasing to $10 at end of 1963.

Company created a new issue of $3.4 millions 4½% Series A debentures, due May 15, 1975, in order to retire all of the outstanding 5½% Series A and B first mortgage bonds; any unexchanged 6% Series A convertible debentures; the St. Paul Utilities 5% first mortgage bonds; the Athabasca Utilities 5% first mortgage bonds; and the balance to discharge bank loans and for general corporate purposes. The debentures were accompanied by stock purchase warrants entitling holders to purchase 35 common shares per $1,000 of debentures.

The issue was part of the $4.2 million Series A debentures part of which was issued to holders who deposited their debentures pursuant to the offer made in April 1955, whereby holders of the 6% Series A convertible sinking fund were offered the right to exchange the debentures for an equal principal amount of the new 4½% debentures, which carried 40 warrants per $500 debenture.

Capitalization outstanding at last report included $4,196,500 4½% Series A debentures, due May 15, 1975; 15,000 preferred shares, $5 par; 616,790 common shares, $1 par, and $10,500 Bottled Gas 4% first mortgage debentures, due Dec. 1, 1955.

United Fuel

United Fuel Investments Ltd. is a holding company which, through its subsidiaries is engaged in the manufacture of coke, gas, tar, sundry oils etc., and in the distribution and sale of gas for industrial and household use in and around Hamilton, Ont. The company's charter gives it the right to acquire interests in public utility and other enterprises. Company is controlled by Union Gas Co. of Canada.

The company recently completed a contract with Niagara Gas Transmission Ltd. for the supply of natural gas to the towns of Oakville and Bronte and the southern part of Trafalgar Township by late 1955.

The company is laying an eight-inch connecting pipe line from the Niagara Transmission's present main to Oakville and also high pressure lines to the town's industrial areas. Company will extend gas service to newly developed residential areas as required. The initial outlay is estimated at approximately $475,000 and over a five year period is expected to amount to $1.4 millions in mains, services and equipment etc.

The company reported that it was negotiating a contract with Union Gas, under which Union would supply natural gas to the subsidiary companies of United Fuel in annual volumes sufficient to serve the markets for at least 20 years. The deliveries were dependent upon Union receiving volumes of gas contracted from either Panhandle Eastern Pipe Line Co., or Trans-Canada Pipe Lines Ltd.

Gross sales revenue for the fiscal year ended March 31, 1955 decreased 8.7% to $6.9 millions from $7.6 millions in the previous year. Coke sales revenue fell 13.8% due largely to a general slackening of activity in certain industrial plants, although in the latter months the demand for coke rose sharply, reflecting increased activity in the steel industry. Gas sales rose 0.7% due to the increased residential sales in the face of reduced industrial sales.

Consolidated net profit was $484,121, 18.8% lower than $596,199 in the previous year. Earnings were equivalent to $5.38 ($6.62) per Class A share and $1.34 ($2.04) per Class B and common share. Dividends amounted to $3 ($3) per Class A share and $1 ($1) per Class B and Common share.

Gross expenditures amounted to $103,419 of which $75,515 was for the gas companies and $27,904 for the coke company.

Capitalization outstanding at March 31, 1955 included $2.3 millions 4% sinking fund bonds, Series A due Dec. 1, 1959; 90,000 Class A 6% cumulative redeemable preferred shares, $50 par; 69,689 Class B preferred shares, $25 par; and 90,000 common shares, n.p.v. (of which Union Gas held 89,892).

Winnipeg and Central Gas Co.

Winnipeg & Central Gas Co. produces and distributes gas in the Winnipeg area. The company was incorporated in 1952 to take over the gas utility formerly owned and operated by Winnipeg Electric Co.

As part of the company plan to convert to propane gas from manufactured gas, to ease eventual switchover to natural gas when it becomes available, several propane distributing companies have been acquired in Manitoba and Saskatchewan. Another group in Alberta and B. C. has been purchased by Canadian Hydrocarbons, a company formed for the purpose in which Winnipeg & Central has a 20% interest.

During the year Winnipeg & Central negotiated consents and approvals to serve natural gas to 12 Winnipeg suburban municipalities with total population of some 120,000 and continued negotiations for suitable contract with the pipeline company supplying the gas. The company has exclusive rights for the Greater Winnipeg area and has secured agreements with the towns of Selkirk and Minnedosa as well.

More than $500,000 was spent in 1954 on the company's distribution system and general plant to serve new home construction areas and to provide for adaptation of the plant and distribution system to natural gas. In addition a head office building was acquired and $79,070 spent on enginering for projected operations.

The company reported a net loss of $344,702 during 1954 compared with a net loss of $266,557 in 1953. Once the date of arrival of natural gas is determined, bank indebtedness, totaling $1.3 millions at the end of 1954, will be automatically convertible into 4% debentures.

Main part of the year's increase loss was accounted for by policy of minimizing coke production which resulted in increased production costs.

Cdn. Hydrocarbon

Canadian Hydrocarbons Ltd. is engaged in the direct or indirect operation of various integrated and diversified enterprises, particularly in the hydrocarbon field. It is also engaged in investment in such enterprises.

Since incorporation at the end of January it has acquired the controlling share interest in Canadian Propane Ltd. which operates six subsidiaries, Home Gas Ltd. which operates three subsidiaries and Saskatoon Propane Gas Ltd. These companies operate 17 bulk plants in Western Canada with a total storage capacity of about 280,000 gallons of propane. In addition they operate a fleet of vehicles, stations and docks in conjunction with an organization of about 980 dealers and a chain of retail stores. During 1954 these companies marketed over six million gallons of propane.

The company plans to supply management and economic research services to its subsidiaries and in due course may invest in other Canadian enterprises.

The company's future program, based on a survey, anticipates a potential market of over 50 million gallons annually within five years in the area currently served and over 100 million gallons within 10 years.

The company, together with other companies, has under study the construction and operation of a products pipeline costing about $20 millions. The pipeline, equipped with adequate underground storage facilities, is expected to carry various petroleum products including gasoline, distilled oils, natural gasoline, butane and propane across the western provinces. The company intends to invest up to $1.5 millions in a synthetic fertilizer company which is being organized.

Consolidated net earnings for the year ended Dec. 31, 1954, amounted to $355,304, compared to $343,685 in the previous year. Consolidated net profit amounted to $91,686, 10.8% higher than $87,726. Net profit for the six months ended June 30, 1955, was $71,687 after deducting a minority interest of $17,656.

By the end of 1955 the company plans to have 29 propane plants in operation in Western Canada, and 47 by the end of 1956, thus giving adequate coverage to the company's marketing area from North Bay to Vancouver.

The company is also working on the development of a products pipeline from Alberta to Winnipeg, a potash mine in Saskatchewan, and a fertilizer plant in Manitoba.

In March this year Winnipeg & Central Gas Co. offered 467,992 Canadian Hydrocarbons common shares to its shareholders on the basis of four shares Canadian Hydrocarbons for each five shares held by Winnipeg & Central, at $7.50 per share. Winnipeg & Central originally held all 580,000 shares, which represent the capitalization outstanding.

Company has no funded debt but a subsidiary, Canadian Propane Ltd., at last report had outstanding $460,000 collateral trust sinking fund debentures, Series A due July 1, 1966.

Interprov. Utilities

Interprovincial Utilities Ltd. was formed in 1950 to acquire the gas assets from Ottawa Light, Heat & Power Co., following the sale of that company's electrical facilities to the Ontario Hydro-Electric Commission.

The company plans to distribute natural gas, obtained from spur line from the Toronto-Montreal section of the Trans-Canada line to the Ottawa-Hull market. Company is currently engaged in negotiations with Trans-Canada Pipe Lines Ltd. towards signing a satisfactory gas purchase contract.

Net loss for 1954 was $24,107 compared to $8,171 in 1953. Deficit per share amounted to 17c (6c).

Capitalization outstanding consists of 140,000 common shares, n.p.v.

Saskatchewan Power Corp.

Saskatchewan Power Corp., Regina, Sask., currently provides natural gas from the Coleville field in Western Saskatchewan to Saskatoon city and towns and villages in the adjoining area. Plans have also been completed to handle retail distribution in Moose Jaw and Swift Current in Southern Saskatchewan from the proposed Trans-Canada pipeline.

The natural gas program in 1954 included construction of distribution systems in Sutherland, Sask., and four villages along the route of the pipeline from Brock to Saskatoon. A 10-in. pipeline from Brock to the Coleville field was completed linking up with nine producing wells. No agreement has yet been reached for the handling of retail gas distribution in Regina.

At the beginning of this year, the company listed 9,432 customers including 573 commercial installations served from the Brock and Coleville fields, an increase of 98.6% over the previous year. Gas purchases during 1954 totaled 1,839,560 MCF, an increase of 335% over 1953.

Plans were drawn up and distributing systems designed during the year to serve Southern Saskatchewan cities from the Trans-Canada pipeline and a study was made of the possibilities of serving communities in the province from Saskatchewan gas fields.

Additions to plant and equipment during the year included institution of aerial and walking patrols of transmission lines and gathering systems, installation of radio equipment and the stationing of service vehicles in the Kindersley area.

Northern Ontario Natural Gas

Northern Ontario Natural Gas, Toronto, formed last year, is a natural gas distributing company with franchises so far to serve 16 Northern Ontario communities. The company is also seeking additional franchises with at least six more likely to be secured.

Main aim of the operation is to gain price and service advantages from a multiple franchise operation. Gas will be provided from the Trans-Canada gas pipeline from Western Canada.

So far the company has signed up with these communities: North Bay, Englehart, Haileybury, Matheson, Teck Township, New Liskeard, Kendrey Improvement District, Cochrane, Whitney Township, Timmins, Hearst, Playfair Township, Kapuskasing, Black River Township, Cobalt and Tisdale Township.

The only remaining approval necessary before the company completes financing and construction arrangements is the granting of Letters of Convenience and Necessity by the Ontario Fuel Board.

Lakelands Natural Gas

Lakelands Natural Gas, Toronto, was formed last year to secure franchises to distribute natural gas in a number of central Ontario municipalities.

The grouping of a number of franchises under one management and ownership is aimed at bringing to the smaller municipalities the advantages of volume purchases of gas supplies. Lakelands plans to finance the costly gas distribution programs in its various franchise areas.

Present activities are concentrated on securing necessary clearance and authorization for the franchises from municipal and provincial authorities before final arrangements are made to secure gas from Trans-Canada Pipe Lines. Lakelands has already secured franchises for some eight or nine centres.

B. C. Power

British Columbia Power Corp. is a holding company which, through its subsidiaries, controls an extensive system of public services in Vancouver, Victoria and other municipalities of British Columbia. Among other services it supplies gas.

Consolidated net profit for 1954 was $5.1 millions, an increase of 11.6% over 1953, and gross operating revenue rose 5.8% to $59.2 millions. Gross revenue from gas rose 6.3% to $4.9 millions and the volume sold rose 7.6% to 4,139 million cu. ft.

Gross revenue from electricity rose 9.9% to $35.6 millions, from passenger transportation fell 1.5% to $14.9 millions, from freight fell 2.6% to $3.4 millions, and from miscellaneous rose 9.9% to $471,000.

Earlier this year it was reported that B. C. Electric had completed a three-way agreement with Pacific Northwest Pipeline Corp. and with Westcoast Transmission Co., providing for the supply of natural gas to Vancouver and the southwestern section of B. C. Pending completion of the Westcoast pipe line from the Peace River gas fields to the U. S. border, this region of B. C. will be supplied with gas from New Mexico via the Pacific Northwest pipe line (on which work has started).

The project depends on a favorable ruling by the U. S. Federal Power Commission on Pacific Northwest's application for the right to purchase gas which West-

(Continued on page 54)

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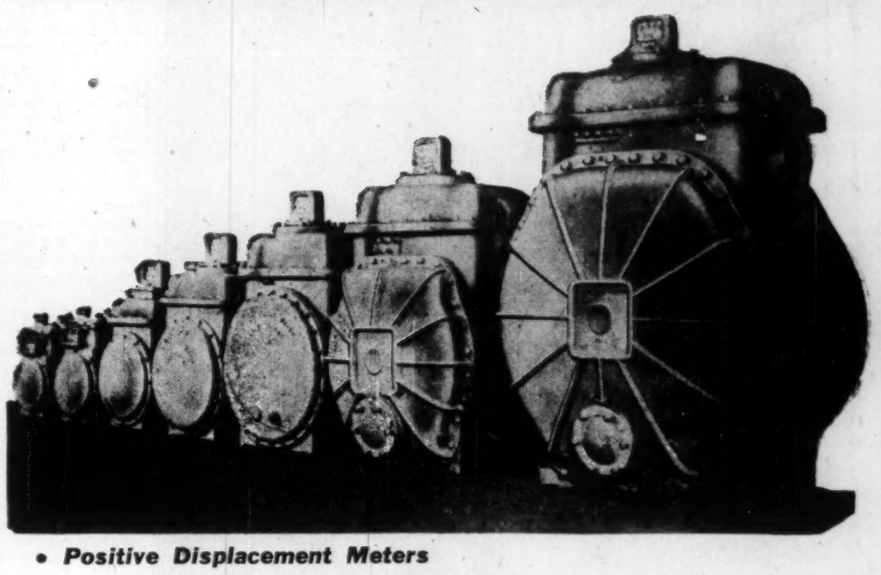

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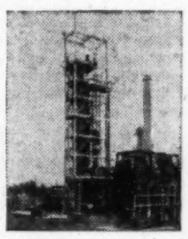

On July 30, 1955, Lummus turned over to Canadian Petrofina, Ltd., the 16,000 BSD Houdriflow Catalytic Cracking Unit and the 3,000 BSD Hydrodesulfurization Unit built at their new Point Aux Trembles Refinery near Montreal.

Construction on these two units began late in April, 1954, with the client requesting that the plant be completed by September 1, 1955. Substantially ahead of schedule by March, 1955, Lummus and the client agreed to use an absolute minimum of overtime labor for the remainder of the project to allow simultaneous completion of other refinery facilities. Even so, the two units were completed ahead of schedule, at a cost below the original guaranteed maximum.

Lummus constructed the Catalytic Cracking Unit complete with a charge heater system, Fractionation Unit, and Vapor Recovery Unit. The Hydrodesulfurization Unit (built under Shell license) is the second of these units in the world (Lummus having completed the first at Stanlow, England early in 1955). An outstanding feature of these units is the electronic instrumentation for temperatures, pressures and flow rates, complete with digital indication and adapted to automatic print-out logging and graphic panels. This is the first electronically instrumented Catalytic Cracking Unit in this hemisphere.

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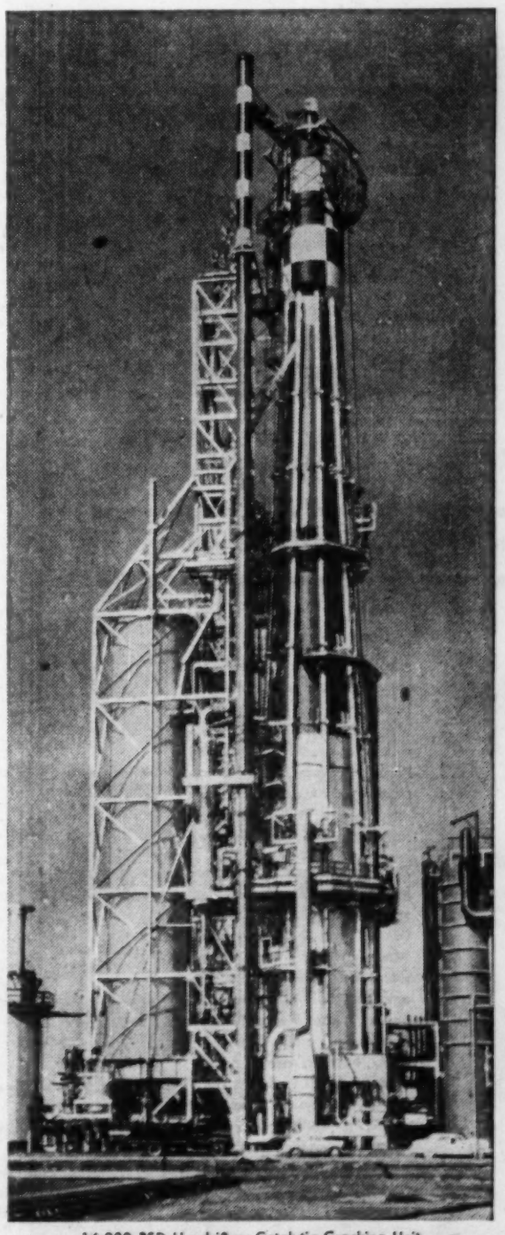

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B.C. Bets Heavily on Peace River

Natural Gas, Hints of Oil Results of Major Research

From Our Own Correspondent

VICTORIA—Millions of dollars are being poured into the search for oil in British Columbia's rich Peace River block, in the far northern section of the province.

A great deal of gas has been found—and hints of oil. The thickness of the strata favorable for oil and gas accumulation is most impressive.

The Government is hopeful, and is lending every encouragement to the oil companies. It is realized that oil and gas revenues could be of future major importance in provincial finances and the economy of the province.

Here are some new financial figures compiled by the Department of Mines: from 1950 to the present time the oil companies have spent $1,814,558 on geological exploration; $13,872,181 on geophysical exploration; $21,260,000 on drilling. A total of more than $37 millions.

Imperial Oil, Pacific Petroleums and Southern Production Inc. are now engaged in a three-year, $20 million exploration and drilling program.

Cautious optimism is expressed. B.C. Assistant Petroleum Controller J. D. Lineham pointed out in a recent speech: "The chances of finding petroleum and natural gas are good, as evidenced by the participation of many major oil companies, who, we can be sure, do not embark on exploration programs covering millions of acres of land unless there is a fair chance that their efforts will be rewarded. Today we are witnessing the greatest search for oil in the history of this Province—the quest for this product has been carried on sporadically for more than 50 years."

The Government—which means the taxpayers—is already benefiting from this search. Rentals on land where the oil companies are drilling has jumped from $1 million a year to nearly $4 millions, and shows every sign of going up. Hon. R. E. Sommers, minister of lands, forests and mines calls this "extraordinary revenue."

Firms Spend Millions

Among the companies spending on the gigantic oil search are Imperial, Texaco, Shell, Mobil Oil of Canada; Canadian Gulf, Pacific Petroleums, Stanolind, a subsidiary of Standard of Indiana; Standard of California, Phillips Petroleum, El Paso, General American Oils.

Premier Bennett appreciates the value of oil drilling in this Province. His conviction oil will be discovered is one of the reasons that he ordered completion of the Government-owned Pacific Great Eastern Railway from Prince George into the Peace River country. Trains are expected to be running into Dawson Creek, and Fort St. John, in the heart of the long-neglected Peace River block by the end of 1957.

Says the Premier: "The Peace River district in B.C. will experience an unprecedented expansion, which has never been exceeded anywhere in the history of Canada. The growth of Prince George will rival the growth that has taken place in the last 20 years in Edmonton."

The big oil companies have pretty well all the Peace River land now under permit. An official of the Mines Department says: "The land is drifting quite rapidly into the hands of the big companies. The little man has done very little—he just cannot afford to operate."

Dr. John F. Walker, deputy minister of mines, a quiet man, not given to theatricals and foolish promises, nevertheless waxes optimistic as he contemplates the future of oil in the Peace River country.

"As a gas picture," Dr. Walker says, "the drilling record is remarkable. Approximately 50% of the holes drilled are gas wells; considering these are wildcat wells, that is a remarkably high percentage in any country. Northeastern British Columbia is tough exploratory country. The success so far achieved means the work has not only been lucky, but well planned."

Dr. Walker faces up to facts: "The search for oil so far has not been so good. But don't forget that Alberta produced gas for a long time before oil was struck—as early as the 1880s.

Peace River Field

"The chance of finding oil in the Peace River is certainly good. The only adverse thing is that a lot of the formations so far drilled lack the necessary porosity for oil production, but have sufficient for gas production.

"The oil companies are extremely optimistic oil will be discovered.

"They expect they will find strata with sufficient pore space, or reef structure that will yield oil.

"The big companies are there for oil, not gas."

Oil, as a matter of fact, has been discovered in the Peace River country — at Boundary Lake. It's a small well, and it's not in production, for there's no market way up there, far back of beyond. Dr. Walker says it wouldn't be economically feasible to produce a well so far away from anywhere.

While there has been sporadic drilling for oil in the Peace for more than 50 years, the biggest impetus was given about 20 years ago by the Pattullo Government. The then Premier, T. D. Pattullo, now living in Victoria in retirement, and nearing his 82nd birthday, was — and still is — so convinced there's oil in the Peace—and oceans of it—that he had his government go into the oil business. In all the Pattullo government spent $750,000 in a drilling program in the Commotion Creek area.

However, no oil was found. The Pattullo government went out in 1941 and was followed by the coalition government of Liberals and Conservatives. Mr. Pattullo, a Liberal, had all along been opposed in his oil drilling program by the Conservatives, who said a government shouldn't be in business, and that Mr. Pattullo was spending the people's money on a wildcat scheme.

After Mr. Pattullo resigned, in order to appease the Conservatives, who were then in the Government with them, the Liberals abandoned the oil drilling program in the Peace. The Government said private enterprise should do the drilling, and produce the oil, if it should be found, and that the government would take its profits in royalties.

Royalty Question

The schedule of royalties, ready to be imposed should oil be struck, is as follows:

Up to 600 barrels a month—5% of the number of barrels produced.

600 to 750 barrels per month—30 plus 14% of the number of barrels produced in excess of 600.

750 to 900 barrels a month—51 plus 17% of the number of barrels produced in excess of 750.

950 to 1,150 barrels a month—85 plus 18% of the number of barrels produced in excess of 950.

1,150 to 1,500 barrels a month—121 plus 19% of the number of barrels produced in excess of 1,150.

1,500 to 1,800—12½% of the number of barrels produced.

1,800 to 4,050 barrels a month—225 plus 20% of the number of barrels produced in excess of 1,800.

4,050 and over—16 2/3% of the number of barrels produced.

Revenue to the Government is now coming from permits. The Petroleum & Natural Gas Act says: "The permitee shall do, or cause to be done, on the location itself each year, work which shall consist of actual geological and geophysical surveys or exploratory drilling to the satisfaction of the Commissioner to the value of:

Ten cents per acre in the first year, but not less than $3,000.

Twenty cents per acre in the second year, but not less than $6,000.

Forty cents per acre in the third year, but not less than $12,000.

Fifty cents per acre in the fourth year, but not less than $15,000.

Assistant Petroleum Controller J. D. Lineham tells something of the history of the search for oil in B.C.:

"The Flathead Valley, situated in the southeastern corner of B.C. was probably one of the earliest areas to receive attention, both from a scientific and from a speculative viewpoint. The occurrence of oil seeps in the general locality had long been known and taken advantage of by the Indians, and later by early settlers, who either dipped their own oil from the pits, or obtained it from the Indians.

Old Area Drilled

"In 1885, and again in 1891, this area was reported on by the Canadian Geographical Survey, and, no doubt, as a result of these reports and the increasing interest in production of oil in Ontario and in the U.S. the first attempt was made to investigate further its possibilities. This initial venture was organized by a group of Vancouver men in 1901 when applications were filed for approximately 25 sq. miles of land. However, subsequent disputes, between the Federal Government and the Canadian Pacific Railway, concerning title to the mineral rights, resulted in a long period of litigation that delayed the commencement of operations.

"In spite of this, general interest in the area continued and resulted in the first well being drilled in 1909 on Akamina Creek. The well was located approximately seven miles northwest of the intersection of the interprovincial and international boundaries. Although both oil and gas were reported, because of mechancial difficulties, the venture was abandoned at a depth of 1,265 ft. Another well was put down near this location in 1914, and experienced a similar fate, but at approximately half the depth of the original well.

As to the present, with so many millions of dollars going into oil exploration, and hopes high that oil will be found, Mr. Lineham says this: "For those who are easily discouraged and for those who would believe that finding an oil field is something that should be done within a matter of weeks or months, the future of the oil and gas industry in this province may well appear bleak.

It is regrettable, indeed, that the complex and costly process of exploration in other parts of Canada and in the world at large, in many cases has extended from months into many years of geological exploration, geophysical surveys and wildcat drilling, before the desired objective was achieved. But the search for oil is not a simple one and delay and disappointment are characteristic, and expected."

Mr. Lineham tells of the difficulties—the tough country—that his chief, Dr. Walker, talked about earlier in this article. Mr. Lineham says: "The oil and gas inventory should be attained in B.C. with reasonable time, but, if success is gained slowly, we should face the fact that most of the exploration now being conducted or being planned is centred in areas that are difficult to investigate.

"The job—will not be easy—many problems must be met, and they are expensive to solve, and consumptive of time. For example, areas to be explored are far removed from sources of supply. In most cases transportation facilities are poor, or even nonexistent, to say nothing of the virtual lack of access for the initial operations."

Muskeg Troubles

Mr. Lineham here deals specifically with the Peace River block: "The greater part is unsurveyed, sparsely populated and completely lacking in many services.

"Muskeg conditions over much of the area limit or preclude summer operations and therefore winter surveys must be conducted, with the severe cold and snow lending additional hardships. Much of the present initial work requires the bulldozing of trails over which equipment can be transported, and later, if drilling is warranted, roads will have to be constructed to well sites.

"Although these roads are far from being first-class highways, they are well built, at the operator's expense, to withstand heavy loads and constant use for periods up to one year.

"Communication with the outside world must be maintained by radio and the airplane is depended on, in many cases, for replacement of men and supplies."

And here's Mr. Lineham's cautious optimism: "We can look to the oil companies to do the job systematically and thoroughly despite the problems and the difficulties involved. No doubt there will be delays and disappointments, but it does seem evident that the years ahead are of the utmost importance to the establishment of an active petroleum industry in this province. Continued co-operation between all men and agencies concerned with the administration and with the operations should result in uninterrupted progress and a steady accumulation of information relative to the possible occurrence of petroleum and natural gas within British Columbia."

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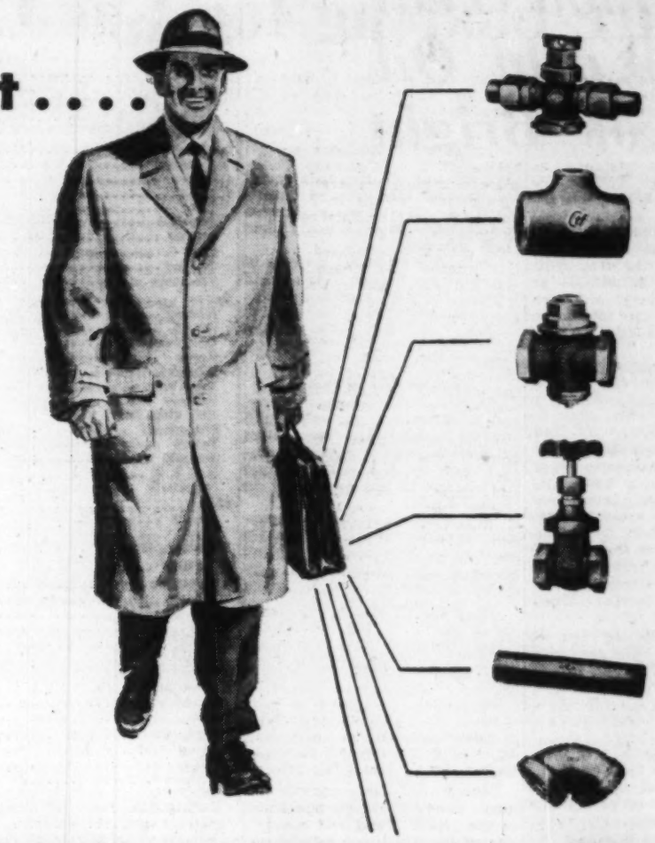

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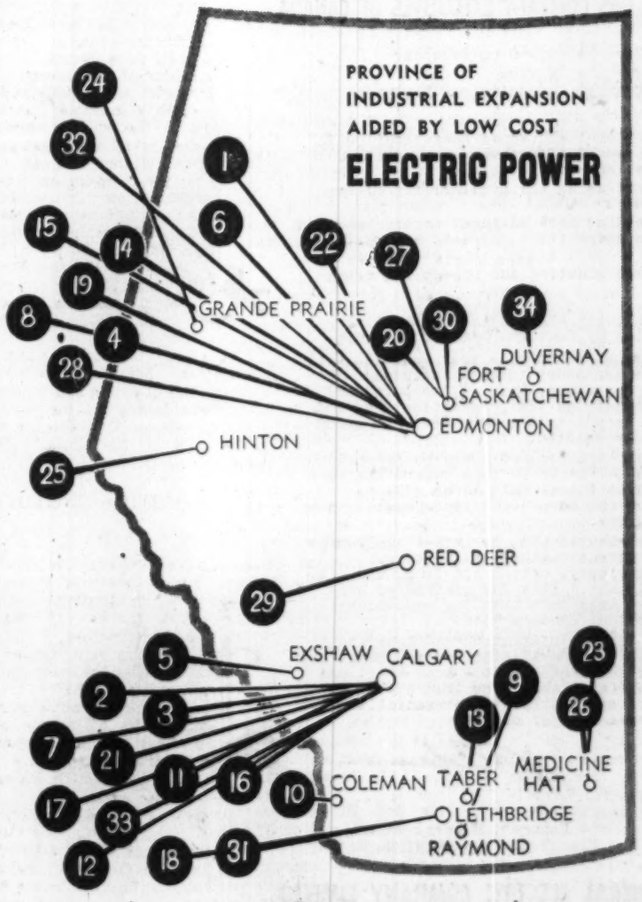

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8. Canadian Industries Limited (Polythene Plant)
9. Canadian Sugar Factories Ltd.
10. Coleman Collieries
11. Consolidated Mining & Smelting Co. Ltd.
12. Continental Can Company of Canada Ltd.
13. Cornwall Canning Company
14. Dominion Oxygen Company
15. Edmonton Steel Fabricators
16. Golden Arrow Sprayers
17. Hilton Brothers Limited
18. Horton Steel Works Limited
19. Inland Cement Company Ltd.
20. Inland Chemicals Limited
21. Light Weight Aggregates of Canada Ltd.
22. Martin Paper Products Ltd.
23. Medicine Hat Brick & Tile Co. Ltd.
24. Northern Plywoods Ltd.
25. Northwest Pulp & Paper Company
26. Northwest Nitro-Chemicals Limited
27. Peace River Glass Company Ltd.
28. Premier Steel Mills Limited
29. Red Deer Brewing Company Ltd.
30. Sherritt Gordon Mines Limited
31. Sick's Lethbridge Brewery
32. Standard Iron & Engineering Works Ltd.
33. Western Canada Flour Mills Co. Ltd.
34. Western Chemicals Limited

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'55 Good Year For World Oil Outlook Bright

Outlook for the world's suppliers of oil is bright — and getting brighter.

Liquid hydrocarbons were key factors in lubricating the political machines of the free world throughout 1954-55 and as the trend in world-wide demand swings upward so moves the status of petroleum and its products.

On a world basis, 1955 was a good year for the oil industry. Production was high, demand increased substantially, and the pattern of the long-term trend began to take shape showing that U. S. consumer domination of oil use was beginning to wane.

The only question mark seriously troubling western world oilmen was a hold over from 1954: the emergence of the Middle East as the petroleum reserve centre of the world.

Underground in the Middle East lies 60.08% of the entire world's known oil reserves and the proximity of these rich fields to oil-hungry USSR has become a matter of concern unallayed by the current switch in the tempo of the major powers' waging of peace.

Canada, though still a small supplier of oil in relation to the rest of the world, improved its production and reserve situation throughout the year. Production of 95 million barrels was 1.92% of the total output. In the previous year the Canadian record was 1.7%.

The United States still consumed more than half of the world's production but it became clearly apparent throughout the year that this situation would not continue for many years to come.

Demand for liquid hydrocarbons in the U. S. was running at a rate of about 8.3 million barrels per day throughout this year, up a sharp 7% over 1954. Gasoline, distillate fuels, and jet aircraft fuels paced the consumption increase.

Throughout the rest of the free world, demand for petroleum was proceeding at a rate of some 5.9 million barrels per day. And that figure was a resounding 11% increase over 1954.

Here's the estimated consumption pattern for oil by the U. S. and the rest of the free world in millions of bbls. per day.

	U. S.	Free World
1956	8.6	6.3
1960	9.7	8.3
1965	10.6	10.7
1975	12.2	14.4

These figures, compiled by World Oil, show that free world consumption of petroleum will match U. S. consumption within 10 years and all signs today point to the fact that demand outside the U. S. will continue to increase considerably more quickly than U. S. demand.

This large projected increase in prospect for the rest of the world reflects the notable progress made by most countries in solving the difficult problems faced during the decade of postwar reconstruction.

Europe Ups Demand

In Western Europe particularly, economic recovery has been rapid during the past three years. Most of the Western European countries now are even better off than they were in the days prior to World War II.

The pattern of product consumption, however, is significantly different in Europe. Residual fuel is in greater demand than any other product — whereas in the U. S. the demand for gasoline is at least double the demand for residuals.

Europe still has extraordinarily high gasoline taxes, which were designed originally to discourage consumption in order to save foreign exchange and to raise internal revenue. No reduction on a large scale of the European tax structure is foreseen.

Meanwhile, both production and reserves throughout the world have increased. Latest period for which accurate figures are available show that reserves in December, 1954, totaled 153 billion barrels. In the previous year, the reserve total was 136 billion barrels. Production last year was 4.9 billion barrels, compared to 4.7 billion barrels in 1953.

World Reserves

Of the world's total reserves, some 10 billion barrels are in Russian fields and close to an additional billion barrels are proved in fields that are within the Russian political orbit.

The U. S. reserve position has deteriorated rapidly during the past decade despite the largest exploratory drilling program in that country's history. Since the end of World War II the proved reserves increased from 24 billion barrels to 36 billion barrels.

In spite of this unprecedented drilling effort, the U. S. share of the world's proved reserves has declined significantly. In 1946, for example, the U. S. held 38% of the free world's reserve. Today it holds about 20%. This relationship is not expected to improve and it is a matter of concern to refinery executives in the U. S.

On the basis of existing estimates, within five years the U. S. will be producing one half of the free world's oil from only one fifth of the proved reserves.

The Oil Problem

It all adds up to a huge oil import dilemma that is creating a measure of unrest throughout the oil producing world. Much as the over all U. S. picture shows the need for petroleum imports, oil producers in the U. S. have brought strong pressure to bear on government to restrict imports.

Among the arguments advanced by the producers is the prospective use of nuclear power as a fuel. Producers fear nuclear power might capture some of oil's traditional markets in the years to come and they are anxious to see the U. S. follow a conservative import policy until the effect of nuclear power plants can be studied closely.

This fear is not shared by the refiners. The refiners believe only sale of residuals—their least valuable product—will be affected by atomic fuels. They foresee no substitute for petroleum on the horizon as a lubricant, or as a fuel for automotive and aviation transport. In addition, the important asphalt market will not be affected by the development of atomic energy.

Meanwhile, the record breaking hunt for liquid hydrocarbons is being pressed to the far corners of the earth.

—Arizona recently joined the ranks of the world's commercial producers.

—California is stepping up its production.

—Israel brought in its first well recently and that has sparked renewed interest among exploration companies working in that area.

—Pakistan is completing study of an extensive natural resources survey and exploration concessions are being negotiated now.

—France brought in a new field this fall that is being rated as a major producer.

—Guatamala has eased some of its exploration restrictions and several firms with world-wide connections are planning to investigate possibilities there.

—Canada's northwest tar sands still remain the centre of intense interest as research continues in an effort to find economical methods of extracting oil from them.

Northern Canada is being examined by scientists seeking an oil supply 50 years hence. Arctic salt domes, similar to oil producing formations in Texas and Rumania, have been attracting interest ever since Canadian Geological Survey reports on them were issued.

Australia still is hopeful that its oil fever of a year ago will prove permanent.

Turkey has brought down new legislation in an attempt to make oil exploration more attractive to private capital.

The largest oil exploration program in the history of Cuba is getting under way. Involved are 12 million acres of concession rights.

Italy acquired a new producer this fall and preliminary reports show favorable structures may exist down the entire eastern coast of the country.

Egypt has granted new concessions and 1956 is expected to be a heavy exploration year.

They all add up to a world-wide fever sparked by widespread optimism. To date the world picture for oil has been bright and what clouds there are have been caused more by day to day problems than long term headaches. Barring political catastrophies, the situation should remain that way in the foreseeable years ahead.

Global Oil Reserves and Production

Continent and Country	Estimated Reserves — Thousands of Barrels	Estimated Reserves — % of World	Annual Production — Thousands of Barrels	Annual Production — % of World	Ratio Reserves to Prod.
North America	**34,389,773**	**22.43**	**2,453,641**	**49.44**	**14.0**
Alaska	500	0.00	.....	.....	...
Canada	2,400,000	1.56	95,464	1.92	25.1
Cuba	2,000	0.00	36	0.00	55.6
Mexico	1,650,000	1.08	82,436	1.66	20.0
United States	30,337,273	19.79	2,275,705	45.86	13.3
South America	**12,091,000**	**7.88**	**808,023**	**16.29**	**14.7**
Argentina	300,000	0.19	28,905	0.58	10.4
Bolivia	30,000	0.02	1,503	0.03	20.0
Brazil	35,000	0.02	761	0.02	46.0
Chile	45,000	0.03	1,642	0.03	27.4
Columbia	450,000	0.29	40,636	0.82	11.1
Ecuador	26,000	0.02	3,081	0.06	8.4
Peru	225,000	0.14	17,021	0.34	13.2
Trinidad	280,000	0.19	23,368	0.47	12.0
Venezuela	10,700,000	6.98	691,106	13.94	15.5
Europe	**11,650,000**	**7.60**	**531,506**	**10.71**	**21.9**
Albania	30,000	0.02	1,825	0.04	16.4
Austria	300,000	0.19	29,200	0.59	10.3
Czechoslovakia	9,000	0.01	1,095	0.02	8.2
France	60,000	0.04	3,688	0.07	16.3
Germany, West	400,000	0.26	18,371	0.37	21.8
Great Britain	4,000	0.00	442	0.01	9.0
Hungary	100,000	0.07	6,570	0.13	15.2
Italy (incl. Sicily)	10,000	0.01	546	0.01	18.3
Netherlands	90,000	0.06	6,466	0.13	13.9
Poland	22,000	0.01	2,008	0.04	11.0
Rumania	600,000	0.39	47,450	0.96	12.6
U. S. S. R.	10,000,000	6.53	412,750	8.32	24.2
Yugoslavia	25,000	0.01	1,095	0.02	22.8
Africa	**113,300**	**0.08**	**15,287**	**0.31**	**7.4**
Algeria	5,300	0.01	587	0.01	9.0
Egypt	100,000	0.06	13,806	0.28	7.2
Morocco, French	8,000	0.01	894	0.02	8.9
Asia, Total	**95,063,500**	**62.00**	**1,154,138**	**23.25**	**82.4**
Asia, Middle East	**92,110,000**	**60.08**	**1,015,929**	**20.47**	**90.7**
Bahrain	235,000	0.15	10,994	0.22	21.4
Iran (Persia)	13,000,000	8.48	14,016	0.28	927.5
Iraq	14,000,000	9.13	252,722	5.09	55.4
Kuwait	28,000,000	18.27	347,955	7.02	80.5
Neutral Zone	300,000	0.19	6,434	0.13	44.6
Qatar	1,500,000	0.98	35,654	0.71	42.1
Saudi Arabia	35,000,000	22.83	347,845	7.01	100.6
Trucial Coast	50,000	0.03	.....	.....	...
Turkey	25,000	0.02	309	0.01	80.9
Asia, Far East	**2,953,500**	**1.92**	**138,209**	**2.78**	**21.4**
Burma	45,000	0.93	1,278	0.03	35.2
India	46,000	0.03	2,555	0.05	18.0
Pakistan	22,000	0.01	1,935	0.04	11.4
China	30,000	0.02	5,475	0.11	5.5
Indonesia	2,100,000	1.37	77,318	1.55	27.2
Japan	50,000	0.03	2,126	0.05	23.5
New Guinea	60,000	0.04	4,064	0.08	14.8
Sakhalin	100,000	0.07	7,000	0.14	14.3
Sarawak-Brunei (Br. Borneo)	500,000	0.32	36,427	0.72	13.7
Taiwan (Formosa)	500	0.00	31	0.01	16.1
Australia-New Zealand	**1,000**	**0.01**	**8**	**0.00**	**125.0**
TOTAL WORLD, 1954	**153,308,573**	**100.00**	**4,962,603**	**100.00**	**30.9**

Source: World Oil, Feb. 15/55.

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Here's Record of the Oil Companies

Peruvian

Peruvian Oils and Minerals holds exploratory concessions covering 1,841,000 acres in the interior of Peru and on 80,000 acres in the Sechura Desert section of Peru's coastal region.

Under agreement Texas Gulf Production Co. will provide most of the financing of drilling on the Oriente lands in the interior and if production is found, will furnish shipping and marketing facilities. Peruvian retains a one third interest. The company also has a 60% stake in 104,000 acres in the same general area.

Aerial surveys of the most northerly concessions have been carried out and the survey is to be extended to the southerly portions. On Concessions Sacramento 1, 2 and 3, a geological survey showed favorable features for the accumulation of oil. Drilling is under way in the Santa Clara structure, with the company contributing a third of the costs for a like interest in any production.

Cash position as at Dec. 31, 1954, amounted to $300,156, while there was $152,285 in notes receivable in July, 1955. Authorized capital is three million shares, and there are 1,965,005 shares outstanding.

Cdn. Admiral

Canadian Admiral Oils holds interests in 42 oil producers and in seven gas wells in Alberta, Texas, Oklahoma, Montana and Kansas, and in nearly 750,000 acres of undeveloped potential oil and gas lands in Western Canada.

In Cotton County, Okla. where the company has six oil wells in a fairly well-defined pool, engineering studies are under way to determine the economic possibilities of applying repressuring or water-flooding techniques to the field. The nine producing wells in Jones County, Texas, have doubled the company's production over last year's rate, and another test well found an oil show in a new sand and is now evaluating lower horizons.

A drilling arrangement has been entered into on 560 acres in Kansas in which the company holds 50% interest. Two wells appear assured of commercial production with favorable marketing conditions. A third test well is being drilled, and a development program is planned for when the characteristics of the sands are known.

In Alberta the company is negotiating to have its Hamilton Lake lands developed at no cost to it, and in the Midale-Ralph area of Saskatchewan, drilling is proceeding close to company-held acreage.

A gas delivery contract has been signed with Westcoast Transmission Co. in connection with Admiral's gas reserves at Pouce Coupe, Alberta. Here the company has a 16 2/3% share in proven reserves estimated at 97.1 billion cu. ft. in the Cadotte sand alone. A triple-zone gas discovery was recently made on a 99,000-acre permit in the Fort St. John area of Northeastern B. C. where Admiral has a 1.2% stake.

Company reports that it is in good financial shape, with working capital of approximately $200,000. A total of 2,237,602 shares are issued out of 5 million authorized.

Marigold

Marigold Oil holds interests in six producing oil wells in the Armena field of Alberta and in three in Texas, and owns four and has a 50% stake in five capped oil and/or gas wells at Barrhead, Alta.

In addition the company farmed out 442,000 acres of petroleum and natural gas rights in Newfoundland to Claybar Uranium and Oil Co., retaining 25% carried share. Any leases taken out are to be for a term of 99 years and will be subject to a government royalty of 12½%.

Substantial share holdings and a continuing interest in their financing are held in Pan Israel Oil Co. Inc. and Israel Mediterranean Petroleum Corp. Inc. These companies hold about 787,000 acres of licenses in Israel on which exploratory work is going forward.

Total income of the company for the year ended Aug. 31, 1954, was $61,770, including $48,509 production revenue. Net loss for the period was $538,240 after all expenses and write-offs. Cash position was recently augmented by $45,000 through sale of 100,000 shares. Capitalization is 3.5 million shares, and 400,000 shares remain in the treasury.

Cons. Dragon

Consolidated Dragon Oils is the continuing vehicle resulting from the merger late last year of Dragon Oils and Gas and Marwayne Oils. The amalgamation was effected through an exchange of stock on the basis of one share of the new company for each three shares of either Dragon or Marwayne.

Company has a stake in 20 oil and six gas wells in Alberta and Texas, and in 1,372,522 acres of leases and reservations. Oil interests include 14% in four dual-zone producers at Malmo, 25% to 50% in four wells at Hamilton Lake, 100% in a well in the Redwater field and 50% in three at Camrose, all in Alberta. In Texas a one-third or lesser interest is held in three wells.

Gas wells in which the company has a stake are in the Cessford, Killam, Vermilion, Atlee, Youngstown and Campbell Creek areas of Alberta. Most of the wells are capped awaiting a market. Open flow potentials range up to 23.5 million cu. ft. per day.

Capitalization consists of 5 million shares of $1 par value, and there are 2,262,502 shares outstanding. Total revenue of $71,306 in the 1954 year included production income of $66,634. Net profit after expenses and write-offs was $320.

Bralsaman

Bralsaman Petroleums is making studies with local interests with a view to applying for a retail gas distribution franchise in Northeastern British Columbia. This would be implemented as and when the proposed natural gas pipe line from the Peace River area to the West Coast is assured of construction.

In addition, interests are held in three producing and one shut-in oil well and a capped gas well in the Leduc, Taber and Rochester areas of Alberta, and in undeveloped acreage in that province, Saskatchewan, Manitoba and B. C. Investments include $300,000 six-year 5% notes and 100,000 shares of West Maygill Gas & Oil Ltd.

Authorized capital is one million shares, $1 par value, of which 775,000 are outstanding. Current assets as at Dec. 31, 1954, included cash and secured notes of $384,378 and marketable securities 248,710.

Prairie Oil

Prairie Oil Royalties holds 30% undivided interest in approximately 20,000 acres and royalties from 1¼% to 3¾% in nearly 2 million acres in Saskatchewan, and 6¼% royalty in about 60,000 acres in that province.

Five medium-gravity oil pools have been found in the Fosterton-Cantuar-Success-Gull Lake areas of Southwestern Saskatchewan, encompassing almost a million acres in which the company's royalty interest is 1¼%. With the completion earlier this year of a pipe line from these pools to the Interprovincial pipe line and thence to the United States, the company will enjoy its first income from these areas. Extensive development is under way by the Mobil Oil Co. group and more than 10,000 acres have been proven productive.

Exploration and drilling is also taking place on the greater part of the Saskatchewan properties in which the company is interested.

A substantial share interest is held in British Columbia Oil Lands Ltd., which has large undeveloped acreage holdings in Northeastern British Columbia.

Capitalization consists of 2.5 million shares, $1 par. There are 1,462,350 shares outstanding.

New Bristol

New Bristol Oils has interests in 26 oil wells in Alberta, seven in Ontario and 92 in Texas. Undeveloped properties are held in the above areas and in British Columbia.

Last January a mining division was formed and 35 claims acquired at Newcastle, N.B., 23 claims in the Elliott Lake sector at Blind River, Ont., 1,200 acres adjoining Quebec Lithium and others in LaCorne twp., Que.

Earlier this year the company issued 1,575,000 shares for assets of Newton Conroe Oil Co., a Delaware corporation. A further 800,000 shares were given to Phoenix Campbell Corp. and the company assumed a liability of $80,000 of Newton Conroe to that company. Through this purchase New Bristol states it will have an income of $360,000 per annum, free of indebtedness.

In Kentucky the company has 32.81% net interest in 347 acres on which and on adjoining properties are about 70 old oil wells. A waterflood secondary recovery operation is planned, at a cost of about $100,000. Similar treatment is being given to 14 wells in Illinois in which New Bristol has a 6% stake.

Oil reserves are estimated at between 4.3 million and 4.8 million bbls., including 2½ to 3 million bbls. acquired from Newton Conroe.

Cdn. Superior

Canadian Superior Oil of California continues to build up its productive potential. In the year ended Aug. 31, 1955, gross revenue from crude production amounted to $2,493,935 as compared with $2,280,519 during the previous year.

It is the policy of Canadian Superior to capitalize outlays in excess of production income as the company is still deemed to be in the development phase.

This meant that the company drew on working capital for its operations to the extent of $1,519,923 in the latest fiscal year as compared with $2,907,845 in the previous year. As at Aug. 31, 1955, working capital amounted to $3,800,802. A credit agreement for an aggregate of $5 millions has been arranged with the First National City Bank of New York to finance further operations. No funds have been borrowed under this agreement as yet.

Net oil production averaged 2,882 bbls. a day in the latest fiscal year and averaged 3,630 bbls. daily in September, 1955. Oil reserves are to be estimated as at Dec. 1, 1955.

In the latest year, 15 wholly owned wells were drilled of which 11 in Manitoba and two in Alberta were producers. Of 31 wells drilled under joint agreements, 24 were oil wells (including 13 in Alberta and three were shut-in gas wells.

Of 97 wells drilled under farm-out arrangements at no cost to the company, 24 proved producing oil wells in which the company has royalty interests and two shut-in gas wells.

Net acreage holdings at Aug. 31, 1955, amounted to 3,070,000.

Dome Explor.

Dome Exploration (Western) started off 1955 with estimated oil reserves of 18.3 million bbls. and net proven and probable gas reserves of 90 billion cu. ft. At Feb. 28, 1955, the company held interests in 721,961 acres of petroleum and natural gas permits, reservations and licenses, 393,166 acres of leases and 166,444 acres of mineral rights and gross royalty in the Prairies and B. C.

In 1954, a net profit of $115,391 or six cents a share was realized as against a loss of $318,454 the previous year.

A very active exploration and development program has been carried on by the company in recent years with a participation taken in both Pembina development and financing of Pembina Pipe Line. Unlike many companies which have found it necessary to farm out acreage to others, Dome Exploration has been able to undertake aggressive outside development with production growing from fields other than Redwater where the company's main production interest lies.

Balance sheet as at Dec. 31, 1954, showed $912,829 current assets as against $916,964 current liabilities while $3,840,000 of notes were outstanding.

Hi-Tower Drilling

Hi-Tower Drilling Co. is engaged in drilling wells for oil and gas under contract. It owns and operates eight modern drilling rigs.

Company also has a 12.16% stake in four oil wells in the Virden-Roselea field of Manitoba. One of the wells is rated as a good oil producer, two are fair and one is marginal. An interest in a further three wells was disposed of last year.

Net operating revenue declined to $166,542 for the fiscal year ended Feb. 28, 1955, compared with $327,198 the year previous. After allowing for much greater depreciation of $153,648 and writing off development expenditures of $13,711, net loss for the 1954-55 fiscal year was $817 as against a net profit of $112,492 for 1953-54. No dividends have been paid since the disbursement of 25 cents per share in June, 1954.

Parker Drilling

Parker Drilling Co. is a contract well-drilling organization. It owns and operates 12 fully equipped drilling rigs which can drill hole down to depths of 12,000 ft.

During the fiscal year ended April 30, 1955, the company experienced a slight increase in the rate of activity of its rigs, and realized an operating profit of $575,513. This compares with $525,574 for the preceding fiscal year. Net profit for the 1954-55 year was $138,036, equivalent to 45 cents per share, as against $127,545 or 41 cents a share in the 1953-54 year.

Company believes that drilling activity during the current fiscal year should increase over the past year, affording the company the opportunity to operate more of its rigs on more days. Accordingly the present year should prove more satisfactory to the company, it reports.

Dividends totaling 30 cents per share have been paid for the past two years, while 50 cents was disbursed during 1953.

New Gas Explor.

New Gas Exploration Co. of Alberta recently changed its name from Gas Exploration Co. and reorganized its capital on the basis of one new share for each two old shares held. Number of shares authorized remained unchanged at three million, $1 par.

Concurrently with the rearrangement, Canadian Atlantic Oil Co. and its associates purchased 500,000 new shares at $1.50 per share and were granted options on a further 500,000 at $2 and $2.25 each. Canadian Atlantic also assumed active management of the company.

Prior to the above, Gas Exploration offered to acquire stock of Poplar Oils Ltd. through an exchange of shares on a basis of one old share of the company for 2½ Poplar shares. More than 1.2 million of the Poplar shares have been acquired, out of approximately 1.6 million issued. Poplar has a stake in 13 oil wells and a gas well in Alberta, Montana and Texas.

Chief interest of Gas Exploration lies in its extensive landholdings in the natural gas export area of Northwestern Alberta and Northeastern B. C. These include a stake in more than 1.1 million acres in B. C. which are to be explored at no cost to the company by Imperial Oil Ltd. and Southern Production Co. Inc.

Production income is received from a share in 14 oil wells in Texas, four in Montana and four in Oklahoma. In Cuba the company is participating with the Pacific Petroleums group in exploring more than four million acres in every province. The first well was abandoned after encountering excellent tertiary basin. Further drilling is planned.

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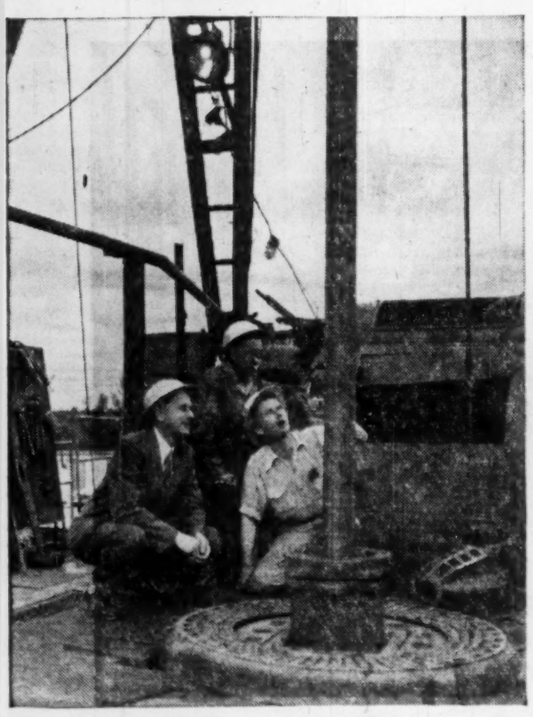

Royal Bank Manager Keeps Abreast Of Developments In Pembina Oil Field

The helmeted gentleman on the left, picking up pointers about drilling rigs, is one of our Western branch managers.

As a banker in a major oil area, he makes it part of his job to know all he can about the oil industry — its people, its problems, its prospects; and to get away from his desk occasionally for a look at what's going on out in the field.

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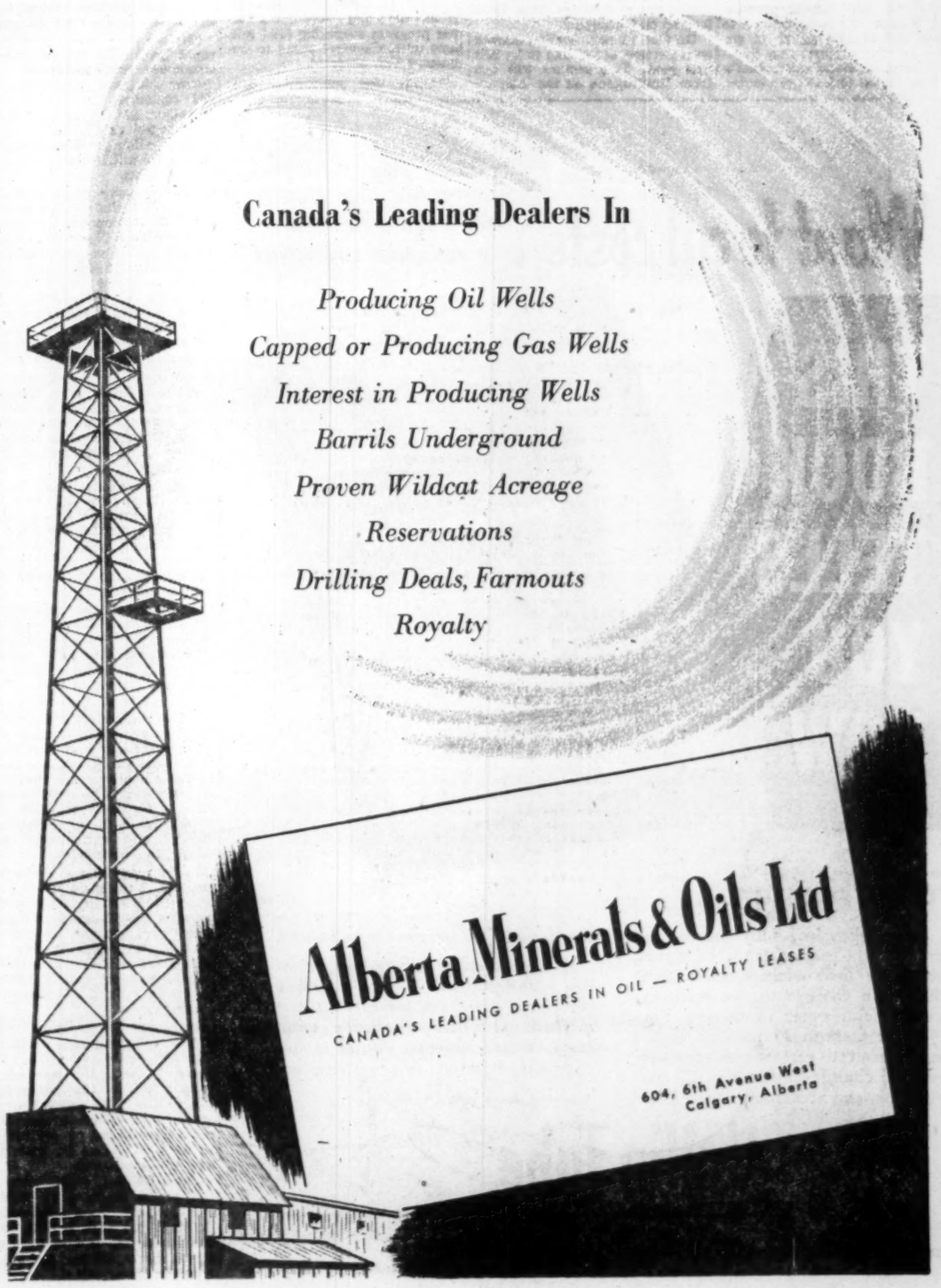

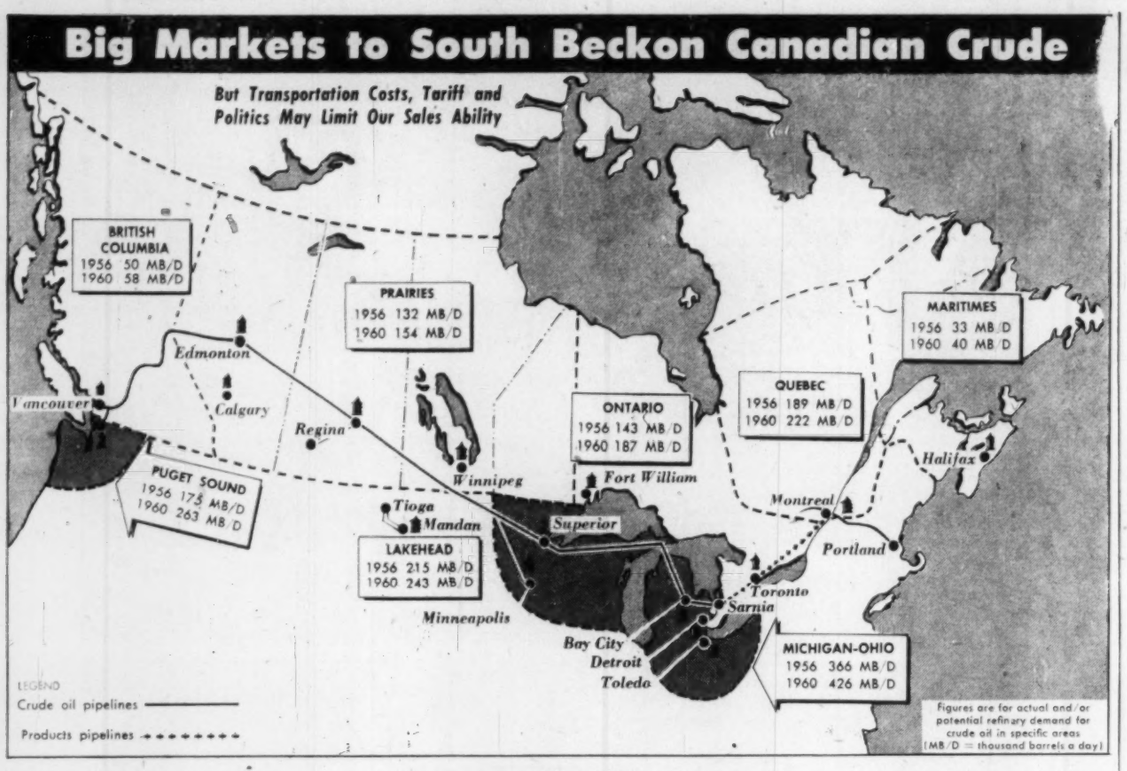

Westcoast Gas Firm Gets Go-Ahead

650-Mile, 30-Inch Line Will Tap Peace River Gas

Washington's recent approval of plans to import Canadian gas into the Pacific northwest means the go-ahead signal for construction of $142-million gas pipeline in British Columbia; it will mean availability of a new fuel for B.C. homes and industry; further large scale development programs in the Peace River gas field of northeastern B.C.

The 650-mile, 30-in. diameter line of Westcoast Transmission Co. will tap the big Peace River gas field of Northeastern B. C. and pipe the gas down through B. C. to the international border at a point close to Vancouver.

Westcoast officials have been trying to arrange for big U. S. market outlets for Peace River gas for more than five years. The cheaper fuel will not only mean greater industrial development in many parts of the province but will also mean establishment of new industries based on recovery of the valuable byproducts from the gas.

The economic feasibility of piping Peace River gas southward has always rested on heavy sale of gas into big U. S. Pacific coast market. In the current proposition, Westcoast has contracted to export 300 million cu. ft. of gas daily to Pacific Northwest Pipelines Corp. for distribution chiefly in Washington and Oregon states. Initial B. C. domestic market will be around only 50 million cu. ft. daily.

Gas people forecast a tremendous impact on the economy of the province. In the first place it will result in expenditures of close to $277 millions in the province in first two to three years. Besides the estimated $142 millions to be spent on the main pipeline, an additional $50 millions will be spent on distribution systems ($25 millions in Lower Mainland area, and another $25 millions in interior); some $40 millions will be spent or installation of household and industrial appliances to use gas; an estimated additional $45 millions will be spent in a new wave of drilling activity in the Peace River area. Since the province collects a 15% royalty on gas sales, the pipeline will represent an important new source of revenue for the province.

Canadian Bechtel, Ltd., managers of the pipeline construction job, have started work. The line location is believed 100% complete with land acquisition approximately 85% complete. Eight major river crossings have been located and designed.

On Oct. 21 construction started on a portion of the line to be laid this year. This section will run from Huntingdon on the international boundary north for a distance of 10 to 20 miles, depending on the weather. Construction of the whole line will be completed in two full construction seasons with delivery of gas to Vancouver scheduled for late 1957.

Arrangements for a $155-million financing program to provide Westcoast with funds to construct the 650 miles, "big-inch" line are now completed. Financing start but awaits the FPC approval of plans to import 300 million cu. ft. of gas daily from Westcoast.

Institutions — mainly U. S. — will provide bulk of the funds. Only public offering will be a $20.5-million offering of subordinate debentures and it is planned to sell only some 20% of this in Canada. They will be sold in packaged units of $100 of debentures plus three shares of common stock at a price of $115 a unit. Total financing will consist of $84 millions of first mortgage, 20-22-yr. bonds; $29.5 millions in bank loans;$20.5 millions 5½% 25-yr. debentures; 4.5 million shares of common stock (615,000 to go with the subordinate debentures, the remainder of 3,885,000 to be placed privately).

Pacific Petroleums and Canadian Atlantic Oils, Calgary and other sponsors of the Westcoast Transmission Co., including Sunray Oil in U. S., will take a large portion of the 3,885,000 common shares.

The financing program has been drawn up by a U. S. group of investment dealers headed by Eastman, Dillon & Co. In Canada the offering of subordinate debentures will be made through a group of Canadian investment houses headed by Wood, Gundy.

Metropolitan Life, other insurance companies and banks, including the Royal Bank, will take part in financing through purchase of bonds and by loans. The Royal Bank of Canada will provide part of the $29.5-million bank loan.

In approximately four years, Pacific Petroleums and its associates drilled nearly 100 wells, and have been directly responsible for proving up nearly 5 trillion cu. ft. of natural gas in Northern B. C. Cost of program to date is in excess of $30 millions.

Here Are Progress Reports On the Distributing Firms

(Continued from page 50)

coast would deliver at the border.

If the commission makes a decision before the end of 1955, it is reported that the company has its own 36-mile, 18-in. line built from the delivery point at Huntington on the border, and the Vancouver City system converted in time to start the switchover by July, 1956, when Pacific Northwest is scheduled to deliver New Mexico gas to Huntington.

It is reported that the company is ready to spend $11.7 millions by this date and carry out a further program averaging $19.3 millions within several years to implement this program.

Despite the substantial construction costs involved, the gas will be competitive in price with other sources of energy, company stated.

Superior Prop.

Superior Propane Ltd. was formed in 1951 to purchase the retail Essotane Gas Division of Imperial Oil Ltd. The company markets propane gas in Ontario and sells specialized equipment for the use of gas. It operates storage plants and branches throughout Ontario, and also has showrooms and a fleet of trucks.

The company recently reported rapid growth in the number of customers and gallonage sales during this year. It reported 24,000 customers for its liquified petroleum gas, an increase of 20% over 19,000 at the beginning of 1955. Gallonage sales increased 30% to 6.5 millions annually from five millions.

The company plans continued expansion including the enlargement of the operations area in Western and Northern Ontario. During 1955 it has extended operations into Kingston and Owen Sound, and has added facilities in Thornhill. A new bulk storage plant is under construction in Smithville to serve the Niagara peninsula market, and company plans five additional bulk storage plants.

While cylinder sales represent the greater proportion of the business, company is making progress in expanding the bulk industrial business, said President J. F. F. McQueen.

Consolidated net profit for the year ended Nov. 30, 1954 was $200,050. Earnings were equivalent to $5 per preferred share and 49c per common share. Dividends amounted to 99c per preferred share while no dividends were paid on the common.

At the fiscal year-end company has 18,800 installations using five million gallons of propane annually, compared to 9,300 installations using 1.75 million when company was formed in 1951.

The company believes that it operates the largest and most extensive business in Eastern Canada for the sale and distribution of propane gas. A high percentage of the company's customers are domestic users who consume about 52% of the total gas sold, with a wide range of industrial, commercial and agricultural users taking the balance.

In February this year company announced the purchase of Frontenac Blue Flame Co., a leading propane distributor in Kingston, which gave company an additional 1,000 customers. In May the bulk plant at Barrie took its first propane delivery from the British American Oil Co. refinery at Clarkson.

In August the company created a new refunding issue of $2 millions 4% debentures due 1975. Company used the proceeds to redeem $985,000 5½% debentures due 1974 and for general corporate purposes. Stock purchase warrants were issued on the basis of 15 common shares for each $500 new 4% debentures.

Capitalization outstanding at last report included $2 millions 4% sinking fund debentures, Series B due Sept. 1, 1975; 40,000 cumulative redeemable $1.40 preferred shares, $25 par; and 358,340 common shares, n.p.v.

Dom. Minerals

Dominion Minerals Development Ltd. has interests in 16 oil wells in Alberta and in prospective oil and gas acreage in that province and British Columbia. Also has uranium prospects in Northern Saskatchewan and Northern Ontario.

Oil production comes from a stake in three wells in the Redwater field, three at Camrose, two in the Leduc field and five at Erskine, all producers of light-gravity crude, and from two heavy-grade wells at Lloydminster and one at Vermilion. Reserves are estimated at 230,000 bbls.

In the Whitecourt area of Northwestern Alberta the company is negotiating to have unitized 10,048 acres in which it holds an interest of 7,000 acres. Several offers to explore the lands on a farmout basis are stated to have been received, but the company prefers to have the tract unitized with others if possible. Seismic work has been done on the lands, which are nine miles southeast of a recent wet gas strike at Windfall.

A uranium prospect in the Milliken Lake area of the Beaverlodge district of Northern Saskatchewan is being explored, with the company and Scintilors Mines sharing costs of a 1,600 ft. hole on their joint boundary. A 75% interest also has been acquired in another prospective uranium property of 46 claims in the Blind River area of Ontario, west of the Algom and Consolidated Denison mines.

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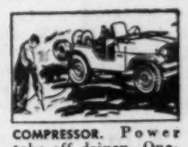

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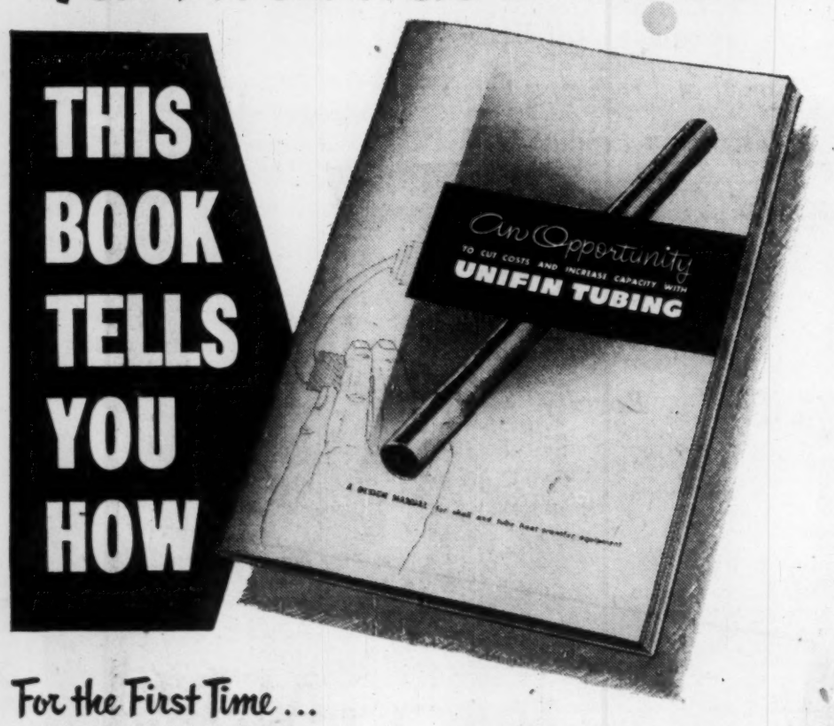

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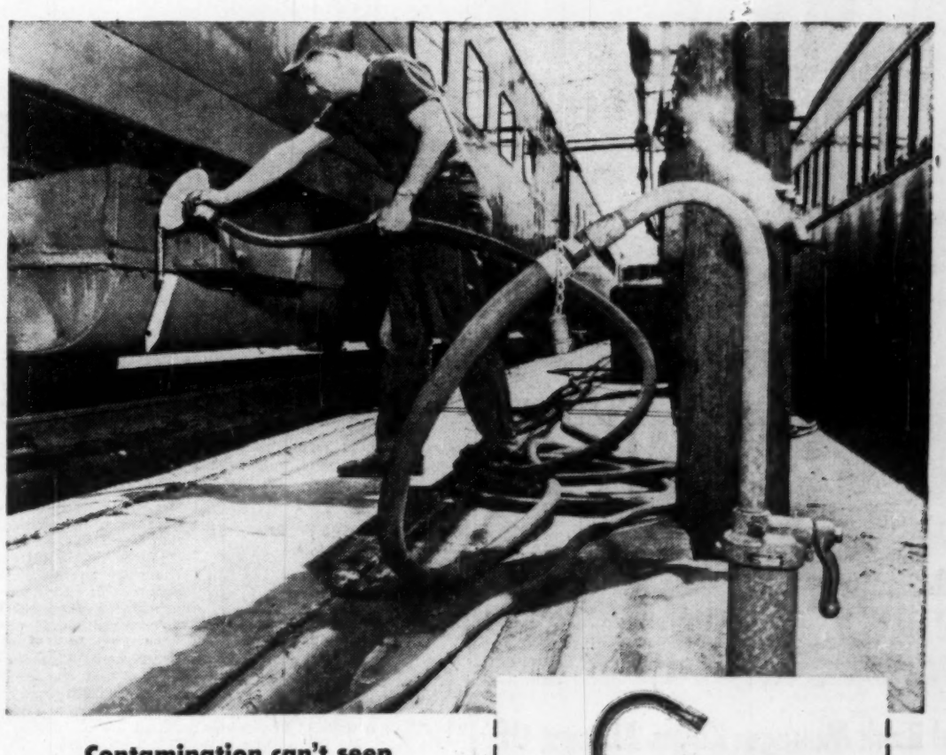

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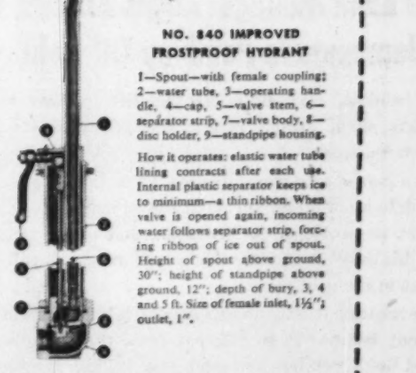

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How Refinery Companies Are Doing

B-A Oil

British American Oil Co., operating in Canada for the past 49 years, ended 1954 with assets totaling $243.4 millions, $20.2 millions up from the year before. It produces, refines and distributes petroleum products throughout Canada and carries on an export business. It also owns or shares interests in crude oil properties in the U. S.

Product sales for the first nine months of 1955 were up 13% over the same period in '54, due largely to bigger gasoline, turbojet and diesel fuel sales, reports B-A President M. S. Beringer. For the full year 1954, sales amounted to $196.8 millions, 3% greater than the previous high set in 1953. Net earnings during the first six months of this year rose 5.8% above the first half in the preceding year, though this is not indicative of the earnings for the remainder of the year because of the seasonal nature of the company's business.

In its five refineries—Montreal, Clarkson, Moose Jaw, Edmonton, Calgary — the company handled nearly 29.2 million bbls. in 1954 compared to 27 million bbls. the year before. Last year, crude handling capacity was increased to 95,700 bbls. daily, split up among the refineries this way:

—Montreal 45,000 bbls.; Clarkson 21,500 bbls.; Moose Jaw 15,000 bbls.; Edmonton 7,000 bbls.; Calgary 7,200 bbls.

The company still has under way a big expansion program started in 1946 with the construction of its $1 million Clarkson plant to blend and package lubricating oils. In 1947 additions to the Moose Jaw and Calgary refineries were finished. Its $13.8-million fluid catalytic cracker in Montreal went into operation in 1949.

In 1951 B-A's Edmonton refinery swung into production and in the same yea. the Clarkson refinery capacity was boosted. A year later the Moose Jaw refinery was expanded and modernized. Opening officially in June, 1953, the company's first major grease manufacturing plant at Clarkson began operations with a capacity of 15 million lb. annually. And completed in midsummer 1954 was a catalytic cracking unit at Clarkson — the company's fourth — together with a polymerization unit and a gas recovery unit.

Early this year operations began in a new $725,000 catalytic reforming unit in Calgary. Scheduled for completion before the end of 1955 is another catalytic reforming unit — this one with a 13,000-bbl. capacity — at the Montreal refinery. It will use a platinum catalyst to produce high-octane blending components for B-A gasolines.

Three other plants are operated by the company:

—At Longview, Alta., in the Turner Valley, the company has a gas absorption plant with a capacity of 50 million to 60 million cu. ft. of gas daily which also produces a component used in the manufacture of aviation gasoline.

—In Montreal East, using raw materials from the B-A refinery, B-A Shawinigan manufactures acetone and phenol. This company was formed in 1951 by B-A Oil and Shawinigan Chemicals and went into operation in 1953.

—British American Gas Utilities Ltd., a wholly owned subsidiary began operations 11 years ago. It collects gas from the Turner Valley field for use in the Longview absorption plant.

Marketing across the country takes place through some 7,500 branches and retail outlets as well as 19 water terminals. Of the retail outlets, B-A owns or controls over 700 service stations. On the West Coast, the company owns the assets of Union Oil Co. of Canada which include stations and agencies throughout B. C. and Alberta as well as a marine terminal storage at Vancouver.

These are other B-A holdings:

—An 18% stock interest in the Portland - Montreal Pipe Line with its daily capacity of 190,000 bbls.

—Entire interest in the B-A Saskatchewan Pipe Line Co., which is a branch running from the Interprovincial Pipe Line to the company's Moose Jaw refinery.

—Entire interest in the B-A Alberta Pipe Line Co., which owns and operates a gathering system and terminal facilities in the Redwater field.

—A 15% interest in the $60-million Platte Pipe Line running from Wyoming to Wood River, Ill. Its capacity is 195,000 bbls. daily.

—A 50% interest in the Sterling Pipe Line System linking Colorado and the Platte Line.

—A 33 1/3% interest in the Trans-Northern Pipe Line Co., which transports finished products from Montreal to Toronto and Hamilton with a spur to Ottawa. In 1954 the Trans-Northern carried 6 million bbls. of the company's products into Western Ontario.

—Entire interest in British American Oil Producing Co., which by the end of 1954 owned or had interests in 2,335 oil wells and 108 gas wells in 13 U. S. states. A subsidiary of this company is The Toronto Pipe Line Co., operating a gathering system in the U. S. which in 1954 transported 18 million bbls.

B-A also owns two tankers, one on the Great Lakes and the other on the Pacific Coast. It charters in addition a fleet of ocean and lake tankers and in 1954 employed some 1,400 railway tank cars and 500 company-owned tractor trailers and trucks.

By the end of 1954 B-A owned or had an interest in 132 oil and 10 gas wells in Alberta, Saskatchewan and Manitoba. During the year, 66 new wells were drilled in the Prairie Provinces. Of these, 37 were producing oil wells, two gas wells and the remaining 27 dry holes. By the end of the year proven reserves in Western Canada stood at 26 million bbls. of crude oil and 150 billion cu. ft. of natural gas.

Exploratory drilling in 1954 resulted in the discovery of the Woodnorth and East Cromer fields in Manitoba and the Driedmeat field in Alberta. Also during 1954 the company obtained its first production from the Joffre and Pembina fields in Alberta and the Frobisher field in Saskatchewan.

In 1955 B-A shared in a discovery in the Erskine, Alta., area and four additional wells in Manitoba. Probably the company will drill 12 more in Manitoba before the end of this year. Production by the end of the third quarter in 1955 was well above that during the same period last year.

Last year in the U. S. B-A, or B-A in partnership with others, drilled 258 wells of which 116 produced oil and 18 natural gas. Important discoveries were made in the Texas Crawar and Headlee fields and in the Oklahoma Bradley field. Crude oil reserves in the U. S. by the end of 1954 stood at 88 million bbls. Gas reserves were estimated at 275 billion cu. ft.

Net developed oil reserves in Canada and the U. S. at the beginning of this year totaled 114 million bbls. Gas reserves added up to approximately 425 billion cu. ft. Since then, company officials say, reserves of both have increased, due to successful drilling in both countries.

Consolidated net profit for 1954 was $18,159,114 millions, compared to $19,735,437 in 1953.

Earnings per share were $2.16 on the common stock as against $2.40 the year before. Dividends at the rate of 85c per share per annum have been paid regularly quarterly since July, 1954, when they were increased from 70c.

Cdn. Petrofina

Canadian Petrofina Ltd. — directly or through subsidiaries — produces, refines, processes and markets petroleum and petroleum products. Products are marketed under the name Fina and include gasoline, motor oils, lubricating greases, tires and other automobile accessories.

Incorporated on May 1, 1953 and beginning operations on July 1, 1953 with the opening of its first retail outlet, the company expects to have 1,400 retail outlets in Ontario, Quebec and the Maritimes by the end of this year. The company's $30 million Montreal East refinery with a capacity of 20,000 bbls. per day was brought into production this fall.

Petrofina has grown rapidly during the past two years:

—In August, 1953 it acquired Norval Oil Co.; in December, 1953 it bought Dominion Oil Ltd., which operated a marine storage terminal in Quebec City and serviced outlets there. In July, 1954 it purchased Miller Oil Co., of Simcoe Ltd.

—By August, 1955, the company had acquired an 80% interest in Calvan Consolidated Oil and Gas Co. which holds interests in 105 oil wells, 38 net wells capable of primary production. Reserves at the end of 1954 were estimated at 18.5 million bbls. This was an exchange offer of six Petrofina shares participating preferred stock for each 17 shares of Calvan.

—In July, 1955 the company acquired control of Western Leaseholds Ltd., with its interest in 100 oil wells, 47 royalty oil wells and 10 gas wells. Purchase price was $18.7 millions for 823,556 shares of Western Leaseholds and 2,299,180 of the 3.5 million shares of Leasehold Securities (which owned 3.5 million shares of Western Leaseholds).

—In May 1955, the company purchased Graham Oil Co., with 20 dealer outlets in the St. Thomas, Ont., area.

In June 1955, Petrofina entered into an agreement with Superline Oils Ltd., and Super-Service Stations Ltd., wholly owned subsidiaries of United Services Corp., thus acquiring about 400 outlets in the Maritimes.

Petrofina also has these associates: Fina Enterprises Ltd., Canadian Leasebacks Ltd., Canadian Leasal Ltd., United Services Corp., and a 10% interest in a crude oil pipe line running from Portland, Maine, to Montreal with a 190,000 bbl. per day capacity.

Canadian Petrofina's balance sheet at the end of March, 1955 showed total assets of $126,326,745. At Dec. 31, 1954 these added up to $37,359,024. At the end of March 1955, the assets figure was determined after giving pro forma effect to the April sale of $25 millions of 4% debentures; June sale of $19 millions of 3.85% debentures of wholly owned subsidiary Capeco Ltd., the $18.7-million purchase of Western Leaseholds; and the Calvan share exchange offer.

Consolidated net profit for 1954 amounted to $163,083 (equivalent to eight cents per participating share) compared to a consolidated net loss of $49,485 for the first eight months of operation. No dividends have been paid by the company.

McColl-Frontenac

McColl-Frontenac Oil Co., with assets of over $90 millions, produces, refines and distributes petroleum products. In Alberta the company holds interests in the Redwater, Pembina, Cynthia, Alhambra, Bonnie Glen, Leduc and Wizard Lake fields as well as royalty and participating rights.

Production from these fields mounted to 1,303,953 bbls. in 1954. Another 1,149,301 bbls. were produced by a subsidiary operating in Trinidad, B.W.I. A majority of the common shares of McColl-Frontenac is owned by Texas Co. in the United States.

The company operates two refineries, one at Montreal with a daily capacity of 58,000 bbls., the other at Edmonton with a capacity of 11,000 bbls. per day. Construction of a catalytic reforming unit in the Montreal refinery was completed in mid-1955 and produces 11,000 bbls. of high-octane gasoline daily. The Edmonton refinery, completed in late 1951 at a cost of $10 millions had its capacity increased in 1953 from 5,500 bbls. to 7,000 bbls. and raised again this year to 11,000 bbls. daily. Lubricant-blending installations are operated at Toronto and Winnipeg.

Twenty marine terminals and 164 bulk terminals as well as 460 service stations are maintained by McColl-Frontenac. The company also leases another 106 stations and sells to 3,100 independent dealers. Through a subsidiary, the company operates three Great Lakes tankers with a capacity of 77,000 bbls. per trip.

By the end of 1954, the company had royalty interest in production from 146 wells and a working interest in 26 net wells. Associated with Texaco Exploration Co., in exploring and exploiting Western Canada fields, the two companies now hold leases and reservations on two million net acres, including 90,000 acres in the Pembina area bought early in 1954 by Texaco for $13 millions.

Other McColl-Frontenac holdings include:

—An 18% interest in the Montreal Pipe Line Co., and the Portland Pipe Line Co., operating an 18-in. and a 12-in. pipeline from Portland to Montreal. During 1954, facilities were expanded to bring capacity of these up to 190,000 bbls. daily.

—A 33 1/3% interest in Trans-Northern Pipe Line Co., running petroleum products between Montreal, Toronto, Hamilton and Ottawa.

—Other transportation facilities owned or leased include 690 railway tank cars and additional lake and ocean tankers.

Estimated net profit for the first nine months of this year amounted to $7,730,004 compared with $5,689,164 for the corresponding period last year, states President T. C. Twyman. Earnings per common share amounted to $2.89 compared to $2.12 in 1954.

In 1954, consolidated net profit was $7,940,283 up from $7,319,484 in 1953. Operating expenses were $73,928,025 compared to $74,636,129. Depreciation increased to $5,386,394 from $4,968,137. Depletion and leases written off amounted to $262,538 as against $214,655 and income taxes were up to $6,193,000 from $5,757,000 in 1953.

Earnings per share amounted to $132.34 on the preferred and $2.95 on the common in 1954 compared to $121.99 and $2.71 the year before. Dividend on the preferred 4% stock was $4 and on the common $1 per share per annum.

Bonnyville Oil

Bonnyville Oil & Refining Corp. succeeded Tri-Tor Oils and Trican Petrochemical Corp. in 1955 through an exchange of stock on the basis of one share of Bonnyville for each three Tri-Tor or Trican shares.

Company owns and operates, through a wholly-owned subsidiary, an oil refinery at Bonnyville, Alta., having a daily capacity of 1,000 bbls. The plant was completed in 1953 at a cost of $300,000, and its capacity is being expanded to 2,500 bbls. per day, at an estimated cost of $750,000. Another subsidiary operates a pipe line transporting natural gas from company wells to the large Royal Canadian Air Force establishment at nearby Cold Lake.

Directly the company owns or holds interests in 18 productive and three capped heavy-gravity oil wells and in four producing and two shut-in gas wells in the Bonnyville and Cold Lake districts. From these wells the company has agreed to supply a minimum of three million cu. ft. of gas daily under a 10-year contract, to the airport. Mining interests were recently acquired with the purchase of a 4,870-acre lithium prospect in the LaCorne area of Quebec. Exploration is planned on the property.

In June of this year shareholders were offered the right to purchase $2 million 5% convertible notes at $95 on the basis of one $100 note for each 100 shares held. The notes are currently convertible into 30 shares per $100 principal amount. Company's cash position has been further enhanced by the sale of 50,000 shares at $1 each.

Supertest Pete.

With markets in Ontario and Quebec, Supertest Petroleum Corp., distributes a wide range of petroleum products including gasolines, lubricating oils and greases, industrial and domestic fuel oils and other products. The company maintains 58 bulk storage plants and delivers products to 2,230 retail outlets of which 846 are owned by the company.

Late in 1954 Supertest announced it was entering the field of oil exploration.

During 1955, the company announced that it was considering building a refinery. "Such a step," states President W. L. Baragar, "would of course involve the assumption of a heavy burden of debt, but may become essential to continued progress." Supertest also intends to continue its present program of service station building and modernization.

Sales in 1954 increased, but the rate of increase was smaller than in 1953. The president attributed this to heavy capital expenditures in new marketing facilities by competing companies, including the building of many new service stations throughout the territory in which the company operates. Despite the decrease in earnings from operations, net earnings and net profit showed an increase due to a nonrecurring profit of $364,772 due to settlement with the Dominion Government regarding the expropriation of a bulk storage terminal in Hull, Que.

Consolidated net profit for 1954 was $1,674,666, up from 1953's $1,603,595. Earnings per preferred share were $73.33 in 1954 ($68.19 in 1953); $1.98 on the common ($2.07). The preferred share paid $5 dividends in both years and the common paid 80c in both years.

Regent Refining

Regent Refining (Canada) Ltd., is the new name adopted on Aug. 25 this year by the Port Credit, Ont., subsidiary of Trinidad Leaseholds Ltd., to identify the company more closely with the name mark "Regent" under which products are marketed. The company is a refining and marketing organization primarily, although over the last four years it has carried out some exploration and development work in the Leduc area.

Confining operations to the Province of Ontario, the company markets two grades of gasoline and a line of motor oils and greases through 470 service stations of which 138 are owned or leased by the company itself. It also sells directly to commercial users and jobbers who purchase in bulk.

The company's refinery is located in Port Credit, Ont. Current throughput is approximately 8,000 bbls. per day using a thermal cracking process with platforming unit. It proposes to eventually boost capacity to 20,000 bbls. per day, and by late 1955 will have increased it to 14,000 bbls. per day. By 1956 it will have added a catalytic cracker, a vacuum distillation unit and a polymerization unit. Total investment in the expansion will be approximately $6.5 millions.

To supply service stations, the company has four marine terminals, 19 bulk storage depots and a fleet of 100 trucks.

Over the last four years Regent has undertaken exploration and drilling work in association with other companies in the Grande Prairie, Alhambra and Virginia Hills reserves. By June 30, 1955 acreage held by the company in Alberta totaled 843,613. Net crude production by the company for the 12 months ending June 30, 1955 added up to 50,137 bbls. Oil reserves are estimated at 119,000 bbls. and gas reserves at 989 million cu. ft.

Net profit for the year ending June 30, 1955 amounted to $644,782. This compares with $492,764 during the year before. Total assets (pro forma) at June 30, 1955 are $24,421,583, some 8,907,000 higher than consolidated assets due to the sale of shares and new debentures in August and September 1955.

Excelsior Refin.

Excelsior Refineries owns and operates a crude oil refinery at Lloydminster, Alta., and owns or has a share in about 65 producing wells in the general area. A subsidiary is erecting a refinery at Dawson Creek, B. C.

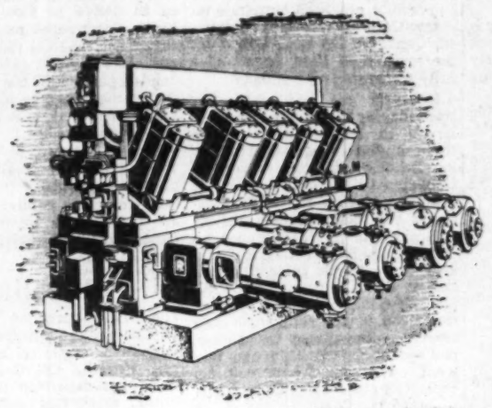
Capacity of the Lloydminster plant is 3,000 bbls. per day, but certain improvements were made this year which will allow a daily throughput of 4,000 bbls. if required. The Dawson Creek refinery, which is expected to be completed before the close of this year, will have a daily capacity of 2,000 bbls. and will process the high quality crude oil found in the Peace River area. It will serve markets already developed along the Alaska Highway and the general Peace River district.

A wholly-owned subsidiary is engaged in drilling and in servicing oil wells, and a 25% interest is held in Inland Oils Ltd. of Dawson Creek, B. C.

Total oil reserves of the company from proven lands are estimated at 11.34 million bbls. A further 7.5 million bbls. are estimated to underlie semiproven acreage and 7.5 million in favorable lands.

Crude oil processed by the Lloydminster refinery during 1954 amounted to 14,441,826 gal-

(Continued on page 56)



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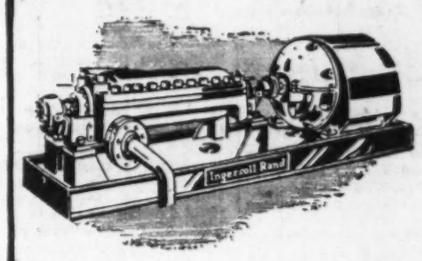

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How Refinery Companies Are Doing

(Continued from page 55)

lons, an increase over the 13,357,382 gallons put through in 1953. In line with company policy of increasing asphalt production, yield of that substance was 43.49% of the crude oil in 1954 compared with 38.17% the year previous. Bunker fuel and gas oil production was reduced to 39.61% while light ends recovery dropped to 16.9%.

Net profit for 1954 was $62,502, equivalent to 2.8c per share, as compared with $14,046 or 0.6c a share for 1953. Capitalization comprises 3 million shares of no par value, of which 2,233,677 shares are issued. There are also $2,064,400 debenture sinking fund 5% bonds outstanding, due 1965.

Imperial Oil

With assets of over $558 millions by the end of 1954, Imperial Oil Ltd. is the largest company in Canada to produce, refine and distribute petroleum and its products. Brands marketed include Esso, Marvelube, Mobiloil and Polarine. In all, over 650 products are manufactured and marketed through 1,250 bulk stations.

Gross crude oil production in 1954 averaged 96,533 bbls. daily and amounted 35.2 million bbls. during the year, 37% of total Canadian production. By the end of 1954, Imperial owned 1,736 oil wells and 133 gas wells. During 1954, it drilled 158 net development wells, 139 of them in Western Canada, bringing in 119 oil wells and 27 gas wells.

During the first nine months of 1955, company officials estimate sales volume was 13.9% higher than in the same period last year. Crude processed at the refineries had increased 9.7% and net crude oil production was up 11.4%.

Company projects due for completion or announced this year include:

—A catalytic polymerization plant and a naphtha fractionator to further improve gasoline quality at the Ioco, B.C. refinery; to be completed this year at an estimated $2.9 millions.

—A lubricating oil manufacturing plant in Edmonton to produce 2,000 bbls. per day of high quality lubricating oils. Cost: $13 millions. Opened November, 1955.

—Construction of a $4.5 millions wax plant at Sarnia, Ont., with a capacity of 35 million lbs. of wax per year; plans announced this year.

—An investment on new equipment of $5 millions to increase octane ratings of company gasoline.

—A new 13,500-bbls. daily capacity catalytic reformer to replace the present thermal unit at Sarnia; due for completion Sept. 1956.

—Capacity of the Montreal refinery fluid catalytic cracker boosted from 46,000 to 60,000 bbls. daily; completed March, 1955.

—New refining facilities in Halifax costing $25 millions with a capacity of 41,600 bbls. daily; to be completed early in 1956.

—A gas processing plant costing approximately $3 millions to handle the gas obtained with oil production in the Redwater field to be erected in the town of Redwater; to be completed by the end of 1956.

For the first nine months of this year, consolidated net profit was estimated at $42,521,632 or $1.42 per share, compared to $41,324,775 or $1.38 per share in the same months last year. Consolidated net profit for the whole of 1954 was $49,582,585 or $1.66 per common share. The year before comparable figures were $47,984,515 and $1.61.

The company declared a dividend of 50c on the common stock payable Dec. 1, 1955. Previously a dividend of 45c was paid on June 1, 1955.

Imperial Oil's nine refineries processed 78,249,964 bbls. in 1954, equivalent to 214,383 bbls. per day. This compares to 74,567,750 bbls. in 1953, 70,056,744 bbls. in 1952 and 66,752,351 bbls. in 1951. In 1951, Canadian crude comprised 44% of the total; by 1954 it made up 68.7% of all crude processed by Imperial Oil refineries.

South America and the Middle East supply Imperial refineries with crude oil as well as Canadian and American wells. Montreal plant receives South American and Middle East oil via the pipe line from Portland, Me., and the company has agreements with Standard Oil Co. (N.J.) to guarantee supplies for Eastern Canada for a number of years to come.

Imperial Oil operates or shares in the operation of these pipeline facilities:

—Imperial Pipe Line Co., operating as a gathering line and common carrier in the Edmonton area. At the end of 1954 it had 313 miles of lines in operation and had carried during the year some 49 million bbls. Wholly owned.

—Interprovincial Pipe Line Co., 1,129 mile crude line from Redwater to Sarnia. Imperial Oil owns 33.34%.

—Trans Mountain Oil Pipe Line Co., 718 mile pipeline from Edmonton to Vancouver, capacity now 120,000 and can be boosted to 300,000. Imperial took up 130,000 shares of the company's stock at the time it was formed.

—Montreal Pipe Line Co., and the Portland Pipe Line Co., from Portland to Montreal with a daily capacity in 1954 of 158,000 bbls. Imperial holds a 36% interest.

—Sarnia - Toronto products pipe line placed in operation by the Sarnia Products Pipe Line Division of Imperial Oil in 1952. It cost $11 millions and after various capacity boosts reached a potential of 55,000 bbls. daily by the end of 1954. Wholly owned.

In the Leduc-Woodbend field the company operates a gas conservation plant. Its capacity was increased to 24 million cu. ft. of gas per day in 1952. Imperial has 1,248 bulk plants throughout Canada and supplies 9,220 service stations. During 1954, 294 bulk plants were modernized and expanded.

At the end of 1954, the company had reservations, options or leases on 26 million gross acres in the western provinces, Yukon, NWT, and Ontario. Its exploration activities which once sparked the Leduc and subsequent big strikes are extensive every year. In 1954, 71 exploratory wells were drilled in Western Canada and 47 relatively shallow exploratory wells in Southeastern Ontario. Eleven discoveries resulted in Saskatchewan and Alberta and four in Ontario, the most important of which was at Bickford.

At Oct. 31, 1954, the company's estimated net crude oil reserves totaled approximately 700 million bbls. Net natural gas reserves were estimated at 1.2 trillion cu. feet.

Cdn. Oil Cos.

Canadian Oil Companies, with headquarters in Toronto, is engaged in the refining, distribution and sale of gasoline, motor oils, lubricating and industrial oils, grease, kerosene and several oil product specialties. When the company's proposed purchase of Anglo-Canadian assets is completed, Canadian Oil Cos., will enter the production field, becoming a fully integrated oil company.

Products are sold under the trade names White Rose and En-Ar-Co in all provinces except Newfoundland and B. C. Through its wholly owned subsidiary, Canadian Oil Refineries Ltd., the company built a $22 million refinery at Froomfield near Sarnia. Erought into production in 1952, the refinery has a catalytic cracker and a catalytic reforming unit and a rated capacity of 20,000 bbls. of crude per day. This took the place of the company's one-time Petrolia refinery which stopped operations when the new unit went on steam. Plans call for capacity to be increased gradually to 30,000 bbls. daily by 1957 at an estimated cost of $3 millions.

In July, 1955, Canadian Oils offered to buy Anglo-Canadian's assets for some $23 millions. On Sept. 1, the offer was accepted. Purchase price is about $10 millions in cash and 540,000 shares of Canadian Oil.

Acquisition of Anglo-Canadian will provide Canadian Oil with 3,500 bbls. daily from some 177 producing wells—wholly or partly owned by Anglo-Canadian — in Leduc, Woodbend, Golden Spike, Turner Valley, Camrose and other fields. Anglo-Canadian also holds interests in som 400,000 net acres in Alberta, Saskatchewan and several northern states in the U. S.

Canadian Oil has these interests in other companies:

—At Dec. 31, 1954 Canadian Oil held 86,800 $5 par shares of Interprovincial Pipe Line Co. In 1949 when Interprovincial was formed, Canadian Oil took up $850,000 par value convertible debentures and 1,000 common shares. In the years following most of these were sold profitably.

—Sun Canadian Pipe Line Co., was formed in 1953 by Sun Oil and Canadian Oil to operate a products pipeline from Sarnia to Toronto. Canadian Oil owns 33 1/3% of the company. Throughput is now 17,500 bbls. daily and can be doubled by addition of pumping stations, it was stated early in 1955.

In September of this year, Canadian Oil offered $30 millions of 4% sinking fund debentures maturing Jan. 1, 1976 in order to redeem existing funded debt and help finance the purchase of Anglo-Canadian assets. A further $12 million 4% serial debentures were sold privately.

Sales in 1954 set a record of over 272 million gal. compared to 260 million gal. in the year before. Dollar sales were $58.5 millions compared to $56.2 millions in 1953. This year sales volume is running well ahead of last year's, reports Canadian Oil President Harold Rea.

The Montreal plant, in addition to meeting its own needs, is now processing and canning motor il for other retailers. Expanded facilities will make two or three lines of special greases which will represent 65% of total grease sales.

Consolidated net profit for 1954 was $1,845,124, over 21.8% greater than 1953's $1,514,901. In 1954, $1,140,000 income taxes were deferred through claiming additional depreciation for tax purposes.

Earnings per share were $23.06 on all classes of preference stock and $1.38 on common stock. This compares with $18.94 and $1.06 in 1953. Dividend rate of 60c per share per annum was established with a quarterly share of 15c per share on May 14, 1955. Previous dividend was 50c per share per annum with quarterly payments of 12½c per share.

Wainwright Prod.

Wainwright Producers and Refiners owns and operates a crude oil refinery at Wainwright, Alta., having a daily capacity of about 3,800 bbls. Company also owns one oil and two gas wells and has a half interest in more than 30 oil and three gas wells, all in the Wainwright area. The gas wells are capped.

A development program involving the drilling of 20 wells is under way in the same area. From July 1 of this year to November, 15 wells were successfully completed without any dry holes being encountered. The project is being carried out by the company and its parent, American Northland Oil Co. Gross proven oil reserves in the area, owned jointly by the two companies, are estimated at 5,606,626 bbls., while a further 4,284,000 bbls. are estimated as probable. Grade of the oil varies from 21.4 to 23.9 degrees API.

Reliance Pete.

Reliance Petroleum Ltd., with head office in London, Ont., wholesales and retails petroleum products in Ontario. The company's marketing divisions are situated in Hamilton, London and Toronto and bulk plants are placed in Aylmer, Chatham, Essex, London, Owen Sound, Paris, Petrolia, Seaforth, Simcoe, Stayner, St. Catharines, St. Thomas, Tavistock, Toronto and Woodstock.

Until 1949, the name of the company was Crown-Dominion Oil Co., and during that year, Reliance expanded operations by taking over McManus Petroleums Ltd., and Thayers Ltd.

Net profit in 1954 reached $440,471, up slightly from 1953's total of $437,245. Earnings per share of preferred stock amounted to $46.44 in 1954 ($46.10 in 1953). After participation, class A shares earned $6.11 ($6.06 in 1953) and class B $15.02 ($14.90). Dividends paid on the preferred shares amounted to $2.25 in both years and the class A and class B shares paid $1 each in both years.

By the end of 1954, total assets were placed at $8,418,170 compared to $7,845,017 the year before. Working capital was $618,558 the end of December, 1954, compared to $321,927 at the same date in 1953.

Royalite

Formerly engaged principally in the exploration for and production of crude oil and natural gas, Royalite Oil Co. in recent years has expanded into the refining, marketing and pipe line fields, and is now rated as the largest integrated Canadian independent oil company.

Production income is derived from its interests in approximately 350 oil wells and from some of its 100 gas wells in Alberta, Saskatchewan and Manitoba. The opening up of additional markets for natural gas would, of course, result in greater revenue through the bringing into production of gas wells which now are capped.

Company also holds 1,970,000 acres of undeveloped lands in the four Western provinces of Canada and in the United States. Of the total, 984,341 acres are held under petroleum and natural gas leases, 25,860 acres are gas leases and 959,800 acres are reservation lands. An active program of exploration is being carried out on these lands by the company, alone or in association with others.

Directly and through wholly-owned subsidiaries, Royalite owns and operates four crude oil refineries having a combined daily capacity of 17,500 barrels, a natural gas cleaning plant with a capacity of 100 million cu. ft. per day, an absorption plant for extracting natural gasoline from the gas, a sulphur plant capable of turning out 30 tons a day and a propane gas plant of about 570 barrels daily capacity.

Pipe lines owned by the company carry crude oil from the Turner Valley field to Calgary, Alta., and from the Smiley field in Saskatchewan to the Interprovincial pipe line. An 80% stock interest is also held in a 56-mile pipe line from the Interprovincial line to Royalite's Saskatoon refinery.

Net recoverable oil reserves are estimated to be in excess of 52 million bbls., including 38 million bbls. of light gravity crude. Natural gas reserves are estimated at approximately 300 billion cu. ft.

Operating revenue jumped to $14,754,657 for 1954, reflecting the company's wider interests. Figure for 1953 was $8,539,969. Net profit for 1954 was $792,164 as against $735,784 the year previous. Working capital was $3,040,891 at the close of 1954.

Husky Oil

Husky Oil and Refining Ltd., a leading producer and refiner of black crude oil and a growing producer of light oil and natural gas, announced sharply higher sales and production in the six months ending June 30, 1955. Sales of refined products were $4,597,012, 71.6% above the same period in 1954 while oil production was 90% up.

These increases are due to higher sales from the Lloydminster refinery and the addition of the Fort William and Moose Jaw refineries, as well as to the purchase and development of oil-bearing properties. In this six-month period, the company processed 1.7 million bbls. of crude, almost a 50% increase over throughput in the same months last year. Combined daily throughput capacity of all three refineries will be 15,500 bbls. when current modernization and expansion programs are completed. Husky bought the Moose Jaw refinery from Trans Empire Oil Ltd., in November, 1954, and a month earlier had acquired from Riverlake Oils Ltd., the Fort William refinery and marketing outlets in the area.

By Oct. 1, 1954, the company owned or had interests in 328 wells producing heavy gravity oil in the Lloydminster area. In addition to its 250,000 acres in that field, Husky has carried on an exploration program on 2,467,000 acres in Alberta and Saskatchewan. Reserves at that date were estimated at 5.3 million bbls. of light oil developed, 1.7 million bbls. undeveloped; 12.7 million bbls. heavy-grade oil developed, 7.5 million bbls. undeveloped. Gas reserves are 30.7 billion cu. ft. developed and 13.4 billion undeveloped.

During 1954, the company spent $8,111,000 acquiring oil properties or adding to or improving refineries, expanding marketing facilities and retiring debentures. In 1955, it is expected $2.5 millions will be expended to gain market outlets and add to refinery capacity. Another $1 million will be spent developing proven gas and oil properties owned by the company.

Consolidated gross profit for the year ending Dec. 31, 1954, was $9,725,017 compared to $8,007,351 in 1953. Net profit in 1954 was $501,972 as against $529,736 the year before.

In 1954 earnings were equivalent to $7.09 for the new 6% preferred stock. Dividend paid on this $50 par preferred was $1.50, 75c for each of the two quarters since the issue. Earnings on common stock amounted to 20c per share, dropping from 27c a year earlier.

North Star Oil

North Star Oil Ltd., which refines and distributes gasoline and petroleum products throughout the Prairie Provinces and Northwestern Ontario opened a new 12,000-bbls.-a-day refinery this year in St. Boniface, Man. The company's old refinery with a capacity of 4,500 bbls. daily has been moved to Grand Prairie in the Peace River area to facilitate marketing operations in that field.

Capital expenditures of $1.5 millions were made during 1954 of which $826,000 went into company-owned service stations and $517,000 into bulk plant additions. Refinery construction amounted to $6.4 millions and that together with land acquired in St. Boniface for $275,000 brought additions to capital assets in 1954 to $8.2 millions. By the end of 1954, the company supplied 359 bulk plants which it owns and 987 service stations, of which 132 are company-owned.

Operating profit for 1954 decreased to $1,725,673 from $1,913,578 the year before. This was due, President Manning states, to the limitations of the old refinery, not to the loss of business.

Net profit last year increased to $895,153 from $644,677. Depreciation increased to $573,402 from $562,849 and interest increased to $204,898 from $82,750. No depreciation was provided in 1954 accounts for the refinery under construction and the company plans to claim for income tax purposes for 1954 capital cost allowances to the extent of the current year's income otherwise taxable.

Earnings per share were $322 on class A before participation and $2.08 after participation in 1954. Earnings per common share increased to $1.48 from $1.07. Dividends on the class A at the rate of 60c per share per annum have been paid regularly since the initial quarterly share of 15c per share was paid on Mar. 15, 1954. No dividends are paid on the common stock.

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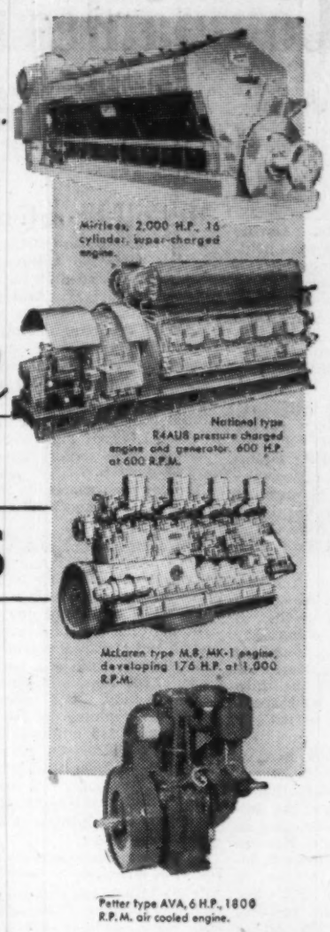

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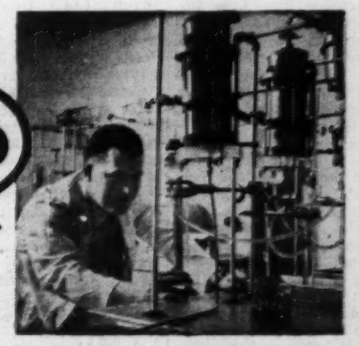


Gas Girds For Energy Battle

By W. L. DACK

The year 1956 could be the most eventful in Canada's natural gas history. Next spring could see construction start on two major gas pipelines projects. Together the jobs could add up to a total expenditure of close to $500 millions.

The pipelines will usher in a new era, because access to large markets will free gas for the big battle in the Canadian energy market.

The last major barrier to be cleared—and it is a formidable one—is U. S. Federal Power Commission approval for certain gas export-import provisions inherent in the over-all pipeline programs. Without this both projects, as now conceived, would fail.

Recent Washington approval on imports of Canadian gas into the U. S. Pacific northwest means construction of a long-proposed $142 million, 650-mile gas pipeline down through B. C. to a point on the international boundary near Vancouver. The big inch line of Westcoast Transmission Co. will pipe Peace River gas to B.C. and U. S. markets.

The other and bigger project — piping Alberta gas via an all-Canada route to Eastern Canada—is a very different proposition. Strong opposition is lining up in U. S. The all-important hearings before FPC are scheduled to start this month in Washington. To get started on the construction job next spring, a favorable decision will have to come out of Washington before May.

Two major developments in the trans-Canada picture in recent weeks have considerably enhanced its chances:

Ottawa's decision to form a Crown company to build the rugged $118-million Manitoba-Ontario stretch of the all-Canada line. For economic analysis, see p. 58.

Entrance of the big Tennessee Gas Transmission Corp. of Houston, Texas into an equity participation in the trans-Canada undertaking.

The Over-all Canadian Plan

Here briefly is the skeleton plan of the big $350-million trans-Canada project—probably the most elaborately integrated gas pipeline in history.

—A 2,250-mile "big inch" pipeline would transport gas from western gasfields across the prairies to Winnipeg, thence north of the Great Lakes to a point in Northern Ontario (likely Kapuskasing).

—A branch line from Winnipeg would run south to Emerson, Man. on the international border. This would feed gas into the proposed 1,250-mile pipeline of Tennessee Gas Transmission Corp.

—A smaller diameter line would connect with the presently operating Niagara-Toronto section of the trans-Canada system (built last year) from the Northern Ontario terminus.

—The Niagara-Toronto section would be extended to Montreal.

It is planned to complete construction of the entire system in two—or at most three—construction seasons. For 1956 plans are to build the 700-mile-long section from Eastern Alberta to Winnipeg and the 325-mile Toronto-Montreal section.

In 1957 the second major section—from Eastern Manitoba to Ontario — would be completed. Also the branch line from Winnipeg to Emerson.

So hopeful are Trans-Canada Pipe Line officials of gaining Washington's approval by next spring that they have already contracted for necessary pipe for both 1956 phases of the job.

But since financing of the whole trans-Canada pipeline scheme as now envisaged is entirely dependent on export and import plans involving Tennessee Gas Transmission Corp. anything might happen. TGT offers the big market that will make the Alberta to Winnipeg section of the line financially possible. It also will provide the gas necessary for the Toronto-to-Montreal extension of the present Niagara-Toronto pipeline. In more detail it has contracted to import 200 million cu. ft. of gas daily from Trans-Canada at Emerson, Man. At the same time it will export to Trans-Canada at a Niagara crossing point up to 90 million cu. ft. of Texas gas until Western Canada gas is available in Ontario and Quebec

Tennessee Gas and its newly created associate, Midwestern Gas Transmission Co., have filed applications with FPC seeking approval to import gas from, and export it into, Canada. And first tangible evidence of the strong opposition facing the plan emerged from a recent meeting of anti-gas pipeline forces in U. S. They include an imposing array of coal and railroad interests.

The most effective opposition, however, is expected to come from a group of midwest U. S. gas companies who will claim that Tennessee and its associate propose to invade their territory to construct an unnecessary duplicate pipeline system

This opposing group will be spearheaded by Northern Natural Gas Co. of Omaha, Neb., which had previously contracted with Trans-Canada for large gas imports to feed its planned pipeline extensions. The contract was allowed to lapse when the Trans-Canada project bogged down this year. If any amicable deal can be arranged between Tennessee and the opposing group, chances of a 1956 start on the trans-Canada pipeline will be immeasurably brightened.

Despite strong doubts among many key government figures in this country, Trans-Canada officials profess confidence that FPC approval will be forthcoming for the Tennessee Gas proposal—and in time to enable a 1956 start on both phases of the pipeline program. Recent firm purchase commitments on some 1,000 miles of pipe provide some measure of insurance against prolonged pipeline hearings before FPC.

Considerable reliance seems to be put upon the support of the U. S. Administration to this high-ranking Canadian project. Cautious observers fear, however, that this is being exaggerated.

There is no doubt that the willingness of some in Ottawa to await results of present applications before FPC—before even considering any alternative plans—stems from Tennessee Gas Transmission's excellent record of successful applications before FPC. Tennessee President Gardiner Symonds has built up a strong reputation for pipeline "savvy" when it comes to putting together an impressive pipeline deal.

Nevertheless, there is a strong feeling among certain Ontario government and gas authorities that an alternative pipeline proposal should be planned now so that it can be put into action quickly if the FPC hearings drag out. The popular alternative plan with Queens Park is that the Crown company should build the entire pipeline—right from Alberta to Ontario. In this way the whole pipeline program could be removed from FPC's life-and-death grasp. If the Washington approval eventually came, well and good.

The big break this year that enabled pipeline officials to finally "jell" pipeline program into shape to enable Tennessee to go before FPC, was Ottawa's decision to form a Crown company that would finance the difficult Manitoba-Ontario section of the line.

Agreement was reached recently between the Ontario and Federal Governments and Trans-Canada Pipe Lines on important details of the proposed Ontario bridge to be financed by the Crown corporation. The Ontario Government will provide $35 millions toward building the rugged, $118-million stretch, the Federal Government the remainder. Annual rental to be charged Trans-Canada on the Northern Ontario stretch is such as to fully recompense the Crown company for its capital investment plus a fair return on its investment over the 25-year lease.

Trans-Canada has been given an option to purchase the line at any time—in fact a strong incentive has been provided in rental setup. The purchase price is to be the total capital cost to the Crown corporation, minus credits to depreciation arising from rental payments.

Financing the Pipeline

Despite the entrance of Tennessee Gas Transmission—and possibly Canadian Gulf Oil (wholly owned Canadian subsidiary of Gulf Oil, U. S.)—into the ownership picture, the Federal Government is expected to insist that at least 50% of the common stock of Trans-Canada Pipe Line Co. be offered in this country.

When the public financing of about $47 millions of common stock money will be made, the difference between the amounts already put up by sponsors in various expenditures to date (possibly as high as $13-$14 millions by that time) and the total, will be offered in the Canadian market.

Common stock is expected to represent some 20% of total financing of the $232-million Trans-Canada section of the line; bonds and possibly a secondary security will make up the remaining $185 millions.

Signing of a long-term gas-purchase contract with Canadian Gulf Oil in mid-October was a major forward step in the trans-Canada program. This amount, along with other purchase deals completed earlier, provides Trans-Canada with approximately 60% of the company's requirements. Further contracts expected to be signed in next couple of weeks would bring this proportion much higher. The contract with Canadian Gulf calls for purchase of a minimum of 100 million cu. ft. of gas daily during first year, and a minimum of 170 million cu. ft. daily each year for remainder of 25-year contract.

The Pincher Creek field from which Canadian Gulf will derive its gas has presently known gas reserves estimated at three trillion, 100 billion cu. ft.

Recently Trans-Canada has been granted rights by the Alberta Petroleum & Natural Gas Conservation Board to boost peak daily delivery by 80 million cu. ft. to 620 million cu. ft. daily. Four trillion, 350 billion cu. ft. of gas has been granted Trans-Canada for its export. This may be upped further by the Conservation Board.

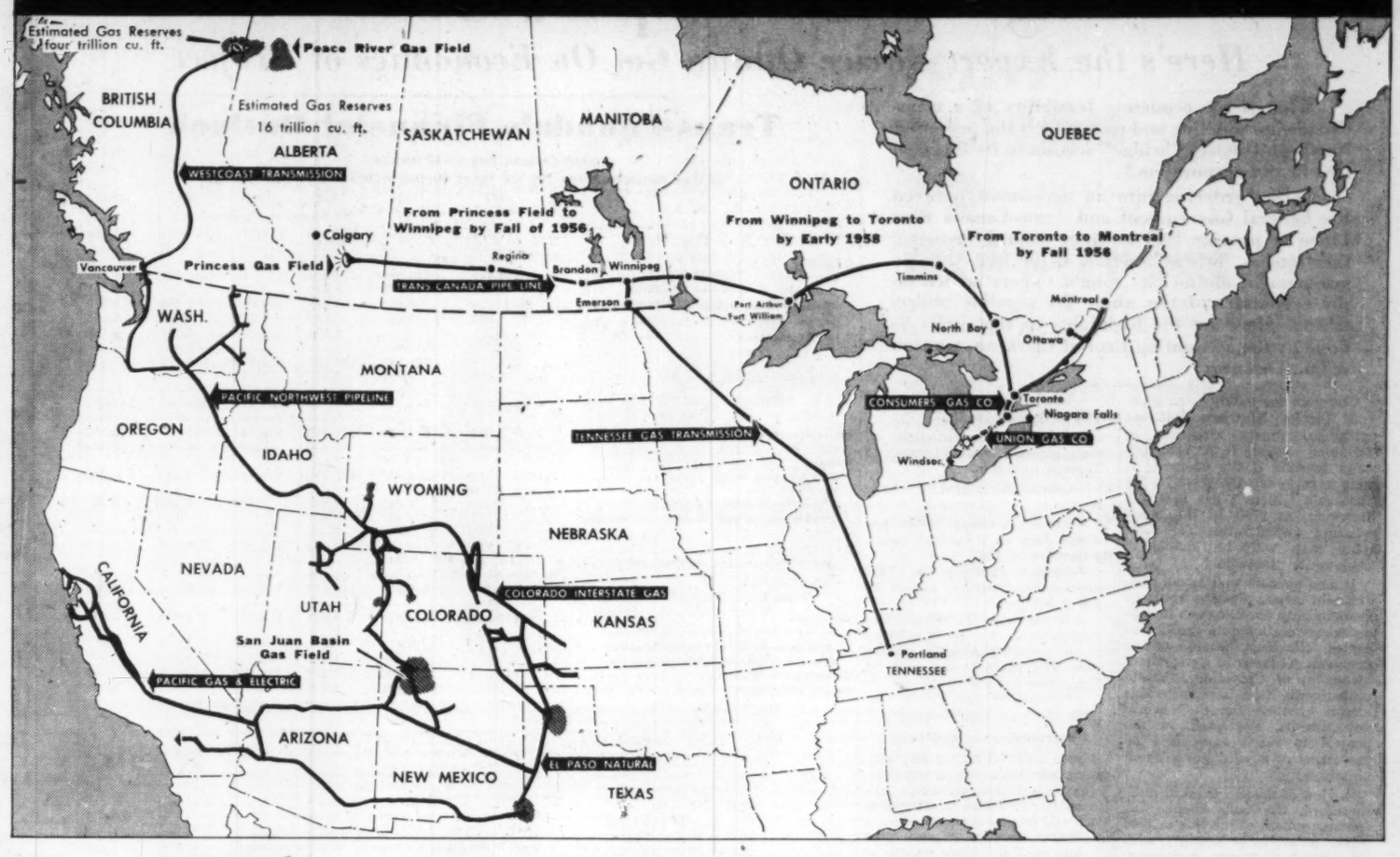
Trans-Canada sales officials have closed three major gas sales contracts: one with Tennessee Gas Transmission; one with Union Gas Co. of Canada and one with Winnipeg Central Gas. At the same time, company sales officials report real progress toward other contracts with a number of other utilities in Western and Eastern Canada.

As expected in multimillion dollar deals involving 25-year contracts, bargaining is keen on both sides. The utility companies are anxious to secure the best growth arrangement possible for their individual franchise areas.

In many Ontario municipalities no official bargaining body has yet emerged, so that Trans-Canada hasn't been able to push sales in these areas. The competition for securing municipal franchises in Ontario has been particularly keen and Lakeland Natural Gas in Central Ontario and Northern Ontario Natural Gas in the northern part of the province have been successful in signing up a number of municipalities. The Ontario Fuel Board has the final say in sanctioning of these deals.

The all-important gas grid system in Alberta that will gather the gas from the different producing fields and deliver to the western terminus of the trans-Canada line will be 547 miles in length and cost an estimated $47 millions. Pipe sizes will range from 6⅝ in. to 34 in. It is planned to complete the line in two construction seasons, with line operations to start by Nov. 1, 1956.

Here Is Anatomy of $850 Million Pipeline Networks



This Business Runs at $5.4 Million Daily Pace

How Petroleum Industry Enriches Our Economy

By FRANK KAPLAN

For one idea of the size of Canada's burgeoning petroleum industry, consider this: every day of the year, including Sundays and holidays, the industry pays out $5.4 millions for supplies and manpower.

Importance of this staggering statistic lies in this fact: at least $1 million of that daily total pays for made-in-Canada goods. It's a significant sales fillip to Canadian manufacturers of everything from screw drivers to oil rigs.

Since the discovery of the Leduc field in 1947, the Canadian oil and gas business has mushroomed and in its growth has literally pulled up a major part of Canadian business by its own bootstraps.

The industry ranks near the top as a user of Canadian products despite its demands for highly specialized equipment. Its growth has led to the development of a host of new Canadian industries to help supply its needs.

At the present time, petroleum industry authorities estimate that some 65% of the $1.5 billion to $2 billions spent in all phases of operations is spent in Canada. This includes 45% of Canadian needs of crude oil — and wages and salaries paid employees.

Canada supplies some 85% of goods purchased by the petroleum industry worth from $400 millions to $450 millions a year. This would include purchases of goods from Canadian subsidiaries of U. S. and other foreign firms which would be made outside Canada.

Purchasing officials in major oil companies estimate that over-all foreign content of Canadian-purchased products they buy is about 10%. This would indicate that Canadian manufacturing plants collect some $400 millions annually from oil and gas companies.

Cash registers are likely to bulge even more in Canada as oil industry demands expand. It will become more economic for manufacturing firms and suppliers to make an even greater proportion of the highly specialized and expensive equipment required by companies like Imperial, B-A Oil, Shell and the many other firms in the industry.

In pre-war days, a large majority of oil industry needs came from outside Canada. But, oil and gas experts say it will only be a few more years until Canada will be able to supply almost all of the industry's needs.

Purchases of supplies by the oil and gas industry in any single year to a large degree depends on expansion programs of the companies. A project like the Trans-Canada Pipe Line can add hundreds of millions of dollars to expenditures. Or a concerted and widespread refinery expansion can result in heavy imports of foreign materials.

Current Buying Breakdown

At the present time, the experts estimate that industry purchasing in Canada breaks down something like this:

—78% of the money spent on exploration, drilling and production equipment.
—64% of the money for manufacturing facilities.
—50% of expenditures on pipelines.
—98% of money spent to add to retail facilities like service stations.
—90% of transportation equipment.
—75% of the money spent on the gas end of the business.

Altogether, it is estimated that some 10,000 Canadian businesses share in spending by the oil and gas industry. With needs ranging from canned soup for exploration crews in the Northwest Territories to $100,000 diesel units for pumping stations, the country general store as well as engineering firms benefit.

The oil companies, generally, follow a policy of buying from local sources.

The oil industry is probably the most automated business in the world. It is estimated that some $35,000 of equipment is needed for every man on the job. This means that major benefit of growth in the industry occurs in making jobs in the companies that supply oil and gas firms.

Needs of the oil and gas industry since Leduc have meant establishment of many new companies making products new to Canada as well as expansion of older firms.

One of the best known examples of how the oil development has helped other industry is the expansion of plants to make large diameter pipe. Page-Hersey Tubes at Welland was the first Canadian company to enter this field when the Interprovincial Pipe Line was built. Now there are four other companies planning plants and Page-Hersey is reported considering an additional mill so that it can supply the Trans-Canada gas project.

Expansion of refineries to meet demand from Canadian users of petroleum products has brought many steel fabricating firms into the business of supplying the oil industry. Companies like Dominion Bridge, Horton Steel, Toronto Iron, Bridge & Tank are enjoying sizeable chunks of business through supplying oil refinery equipment and tankage. Yet, say oil industry buyers, in prewar years it was impossible to obtain a good-size pressure vessel in Canada.

Development of pipelines as a method of moving oil and gas has sparked Canadian manufacture of stationary diesel engines. Prior to the Interprovincial project, there were no stationary diesels made in Canada. Now, Dominion Engineering can supply a 200,000-hp. unit for a price tag of around $100,000.

Oil Firms Use Paper Too

Even in such taken-for-granted products like paper boxes, the oil and gas industry is a major customer of Canadian manufacturers. One integrated oil company buys some $1 million worth of paper cartons a year, in addition to the mountains of business forms necessary to operate on a nation-wide basis.

And despite the development of pipelines for moving oil, steel fabricators are enjoying increased business making tanks for home use to store oil instead of steel drums. Growth in manufacture of tin cans has been sparked to a major degree by the oil industry with a single major company using as many as three million a year.

The past five years has seen a tremendous expansion in the valve industry in Canada to supply pipeline and refinery needs. The same has occurred in pumps, in enamels for coating pipelines and in the manufacture of glass wrap.

Because of the desire of Canadian oil and gas companies to obtain their supplies in Canada, many foreign firms have established manufacturing plants. These new firms include Rockwell Manufacturing which makes meter equipment; Byron Jackson turning out pumps; Manning, Maxwell & Moore making instruments; Gates Rubber making hose; Koppers Co. making pipeline enamels and Fiberglas making glass wrap.

And there are plants under construction now that will soon make products to displace imported items.

Plants being built by Ethyl of Canada and Davidson Chemical will supply vital chemicals that previously have been imported. Ethyl will turn out that anti-knock compound—tetraethyl lead—that goes into your gasoline. Davison Chemical will make catalysts for refineries.

And recently, another major supply gap was filled by Canadian Chemical which initiated production of methylisobutylketone, a vital ingredient in the manufacture of oil lubricating products. Plants are also making petroleum additives for the first time.

But when these new projects are completed, one major gap will remain—drilling equipment. It is expected that when pipe mills are built, almost all pipe and casing used in drilling wells will be Canadian-made, but there are many vital parts in a drilling rig which it is not practical to make here.

Rigs, oil industry spokesmen point out, are largely self-contained units. And other drilling production equipment like "Christmas trees" vary to so great an extent that only companies dealing around the world can afford to turn them out economically. The United States now leads the world in supply of such equipment.

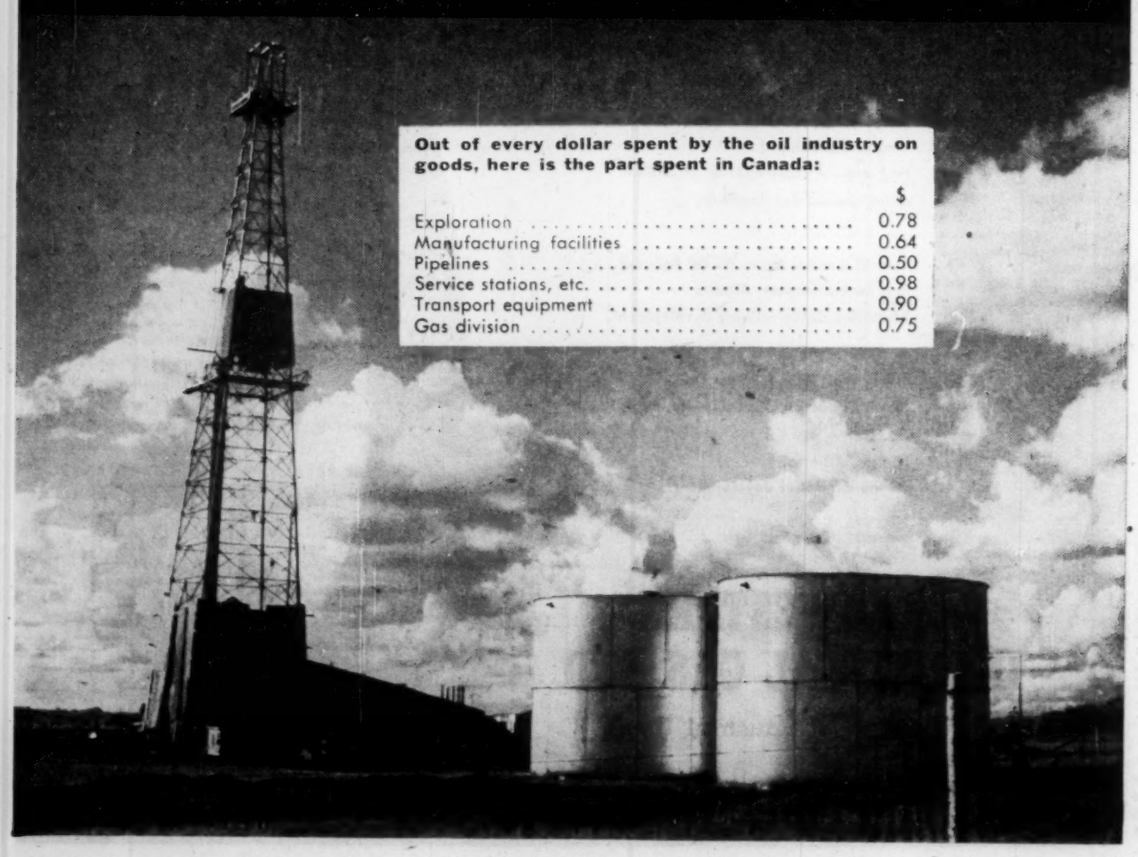
The government recognizes the difficulty of making particular drilling equipment in Canada and allows it to be imported free of duty and sales tax. The feeling is that the lower the cost of such equipment to the oil and gas industry, the more exploratory and development work they will undertake and the quicker our natural resources will be developed.

This direct buying of the oil and gas industry illustrates one of the impacts the industry has on Canada. Oil and gas has meant, and will continue to mean, a surge of economic development on the prairies. Manufacturing companies have mushroomed to cash in on the prosperity of the west.

Steel and lumber have been needed for new office buildings and homes. Growing population has meant bigger sales of cars and appliances. More jobs and more money has accrued to other parts of Canada that helped feed the growth of the western oil industry.

To the experts who occasionally stop to analyze the widespread ramifications of the discovery of oil, Leduc has become one of the landmarks of Canada's economic history.

Canada's Share of Oil Industry Dollar



Out of every dollar spent by the oil industry on goods, here is the part spent in Canada:

	$
Exploration	0.78
Manufacturing facilities	0.64
Pipelines	0.50
Service stations, etc.	0.98
Transport equipment	0.90
Gas division	0.75

The Financial Post

Vol. XLIX Publication Office: Toronto, December 3, 1955 No. 49

This Brings the Gas Pipeline Into Focus

Here's the Expert Advice Ottawa Got On Economics of Project

What is the economic feasibility of a trans-Canada gas pipeline and particularly the proposed Northern Ontario "bridge" section to be financed by a Crown corporation?

Before entering into an agreement between the Federal Government and Trans-Canada Pipe Lines to provide $35 millions toward financing the Ontario "bridge" section of the line, Ontario government authorities sought expert advice on the economics of the whole gas pipeline undertaking. Here are the highlights of that study as done by the accounting firm of Clarkson, Gordon & Co., Toronto:

The plan for building the pipeline (across Northern Ontario) with government assistance as proposed appears to be economically feasible if the company is able to carry out the work on the timetable which it has laid out. However, in view of the many existing uncertainties the company may well be unable to achieve its timetable.

It also appears that an all government-owned pipeline would be economically feasible even though no sales were made to the United States. However, because of the problems inherent in government ownership of a pipeline, it would undoubtedly take a considerable length of time for the several governments interested in the project to reach agreement on the terms of a joint government undertaking.

In view of the shortness of time, therefore, the only chance for commencement of the line in 1956 seems to lie in proceeding with the present proposals. A decision to do so should facilitate the company's negotiations with other parties, but it should be pointed out that the proposed agreement of the governments to participate by no means assures the success of the company's plans. It would, therefore, appear desirable that further consideration should be given to the development of a plan of action to be adopted in the event that the company's plans should fail.

The real evidence of the company's ability to carry out its obligations and complete the pipeline as a whole will be in the completion of firm arrangements for the financing of the whole of the expenditures to be undertaken by the company.

The over-all cost of the project is estimated at approximately $375 millions of which the Northern Ontario section represents an estimated $117 millions, leaving approximately $257 millions to be financed by the company. If the company is unable to produce evidence satisfactory to the Government of Canada that it has arranged for its complete financing before May 1, 1956, the Crown Corporation is free of any obligation to proceed with the construction of the Northern Ontario section.

We recommend that the Government of Ontario, in turn, before advancing any money, should be satisfied that conclusive proof is available that the company is able to carry out its commitments.

The Company's Timetable

The company's approximate timetable is as follows:

On or about November 1, 1955:

—Place orders for pipe required for 1956 construction season.

—Complete firm credit arrangements to finance pipe purchases.

—Make formal or informal arrangements with Alberta Gas Trunk Line Co. so that it may order pipe, etc., required for 1956 construction.

—Call for tenders from contractors for 1956 construction.

On or about December 31, 1955:

—Give producers go-ahead to develop gas reserves required to commence delivery by October 31, 1956.

On or about April 1, 1956:

—Obtain approvals of U. S. Federal Power Commission necessary to permit: Export of gas at Emerson, Man., and import of gas at Niagara to serve the Montreal market. (If these approvals not obtained by April 1, 1956, Tennessee Gas Transmission Co. or Trans-Canada may terminate agreements.)

—Float issues of stock and subordinated debentures.

—Obtain assurance of first mortgage bond financing.

April to October 31, 1956:

—Construct main pipeline from Alberta border to Winnipeg.

—Construct lateral from Winnipeg to Emerson.

—Construct main pipeline from Sheridan to Toronto Junction and from Toronto Junction to Montreal.

—Possibly construct lateral to Ottawa.

—Complete preliminary work and begin trenching on main pipeline from Winnipeg to Toronto Junction.

By November 30, 1956:

—Commence service to Winnipeg and Emerson from Alberta gas.

—Contract with Consumers' Gas Co. for use of pipeline to bring gas from Niagara to Sheridan.

—Commence service in Montreal from U. S. gas imported at Niagara.

—Place orders for pipe required for 1957 construction season.

On or about April 30, 1957:

—Issue first mortgage bonds.

April to October 31, 1957:

—Complete construction of main pipeline from Winnipeg to Toronto Junction.

—Construct lateral to Sudbury.

—Construct lateral to Ottawa, if not done in preceding year.

By October 31, 1957:

—Obtain approval of FPC necessary to permit export of gas at Niagara.

—Agree with Tennessee Gas Transmission Co. on quantities of gas to be exported in coming year and price to be paid by Tennessee for gas.

—Commence service to Ontario markets and Niagara.

Uncertainties in Timetable

Major uncertainties in the company's timetable are as follows:

(a) Its ability to persuade producers to commence development work and to persuade the Alberta Gas Trunk Line Co. to order pipe for construction before receipt of the U. S. Federal Power Commission permits as noted hereunder.

(b) Its ability to obtain from FPC by April 1, 1956, the necessary permit to export gas to the United States, at Emerson, Man.

(c) Its ability to obtain from FPC by April 1, 1956, a permit for the import of gas at Niagara.

(d) Its ability to complete before May 1, 1956, arrangements for financing the line.

(e) Its ability to obtain FPC permit for the export of gas at Niagara by October 31, 1957, and the willingness of the Tennessee Gas Transmission Co. to accept the quantities of gas contemplated in the company's estimates.

When all the difficulties are taken into consideration, there is room for doubt that the complete timetable will be achieved.

Economic Feasibility

The company's program depends in large part for its success upon the export of considerable quantities of gas to the United States. The Tennessee Gas Transmission Co. has contracted to purchase 200,000 mcf daily at Emerson, Man., commencing in the autumn of 1956, and it is proposed that a year later an additional 100,000 mcf daily will be purchased by the same company at Niagara Falls. The purpose of the latter export is to create immediate volume for the Northern Ontario section, and as the Eastern Canadian market develops, the export of gas at Niagara Falls is to be gradually reduced.

We have reviewed the various estimates submitted by the company in a report dated Sept. 22, 1955 (see table), and have discussed them with officials of the company and its consultants. While in an enterprise of this magnitude there is considerable room for differences of opinion as to revenue and cost estimates, in the main the company's forecasts appear reasonable, provided that it is able to adhere to its timetable and provided that it can obtain the necessary governmental approvals for the import and export of gas from and to the United States. The figures show that without government assistance in any form, the project would suffer losses for two or three years and would earn only small profits for several years thereafter. Apart from unsatisfactory initial earning power, the uncertainties of market development in areas new to natural gas, and the possibilities of heavy construction and operating costs in the rugged terrain of Northern Ontario, constitute additional difficulties in financing the project by conventional methods. It appears, therefore, that the company would not likely be able to attract enough support to finance the whole pipeline from private capital.

We have scrutinized closely the company's income projections which assume that the Crown Corporation will build the Northern Ontario section and lease it to the company. The accuracy of any income projection will depend chiefly upon the accuracy of estimates of sales revenue contained in it.

We had available detailed estimates prepared by the company of "probable" sales volumes and also of minimum "take-or-pay" volumes under sales contracts now signed or which the company expects to sign. We have also seen the Canadian market estimates presented by Stone & Webster Service Corp. in its report dated March 4, 1953, and by Ford, Bacon & Davis Inc. in its report dated May 2, 1955.

Canadian market estimates have also been made by A. R. Crozier, chairman of the Ontario Fuel Board, although these are not based on a detailed study. The estimates of sales revenues in the several studies vary quite widely and we are not qualified to say which is the most nearly correct. However, for purposes of illustration we have taken the company's estimates of "probable" sales as the basis for an income projection shown in Schedule A.

These estimates in so far as they relate to sales in Canada are considerably higher in each year (by 10% to 20%) than the estimates of Stone & Webster or of Mr. Crozier, but are somewhat lower in the early years (by 5% to 10%) than those of Ford, Bacon & Davis. On the basis of all the available information, the company's estimates of "probable" sales may well be somewhat optimistic and certainly their realization will require most aggressive sales promotion in all the company's markets.

Both the revenue and cost estimates in Schedule A are based upon realization of the company's timetable for construction of the pipeline, the principal requirements of which are:

(a) Completion by Oct. 31, 1956, of the line from the Alberta-Saskatchewan border to Winnipeg and from Winnipeg to Emerson, Man.

(b) Completion within the same period of a line from Toronto to Montreal.

(c) Completion by Oct. 31, 1957, of the line from Winnipeg across Northern Ontario to Toronto.

Delays Costly

The ability of the company to adhere strictly to its timetable is a matter of considerable importance. Delays or postponements inevitably result in higher costs in the form of interest during the construction period, in addition to premiums which may have to be paid for materials and labor.

The income projection contained in Schedule A makes no allowance for additional costs resulting from delay and is based on "probable" sales as mentioned above. It shows prospective earnings as follows:

Year	Utility operat. income ('000's)	Net income ('000's)	% util. oper. inc. to rate base
1957	$3,091	$(2,087)	2.5
1958	11,384	1,479	4.4
1959	14,013	4,001	5.4
1960	15,163	5,601	6.1
1961	15,117	6,005	6.3
1962	16,052	7,412	6.9

The following is a comparison year by year of the estimated interest and administration costs of the Crown Corporation and estimated rentals to be received, if the company's proposal is accepted. Interest is calculated at 3¼% and it is assumed that the excess of rentals received over interest and administration costs would be applied toward debt reduction thereby keeping interest costs to a minimum. Administration costs are estimated at a constant $50,000 each year.

The rental revenues are calculated on two bases. The first of these assumes the company's estimates of "probable" sales volumes (probably on the high side) for the first five years and a further projection made by officials of the Federal Government of these estimated volumes for the next five years. The second of these assumes the company's estimates of minimum "take-or-pay" sales volumes for the first five years and a conservative projection of volumes thereafter. Both these bases include estimated sales at Niagara Falls to the Tennessee Gas Transmission Co.

ESTIMATED COSTS OF CROWN CORPORATION AND RENTALS FOR TEN YEARS

Year	Assum. "probable" sales vol. Interest & admin. costs	Estim. rentals	Excess of rent. over costs	Assum. min. "take or pay" sales volumes Interest & admin. costs	Estim. rentals	Excess of rent. over costs
	(thousands of dollars)			(thousands of dollars)		
1958	$3,873	$6,403	$2,530	$3,873	$5,135	$1,262
1959	(1) 4,094	8,371	4,547	3,632	6,494	2,662
1960	3,876	9,615	5,739	3,746	6,600	2,854
1961	3,689	9,978	6,289	3,653	7,617	3,964
1962	3,485	9,325	5,840	3,324	7,362	4,038
1963	(1) 3,620	10,064	6,444	3,392	7,342	4,150
1964	3,411	10,782	7,371	3,237	7,919	4,682
1965	3,171	11,500	8,328	(1) 3,338	8,500	5,162
1966	(1) 3,225	12,109	8,884	3,171	9,080	5,909
1967	2,937	12,689	9,752	2,979	9,660	6,681
Total amount of investment recovered by Crown Corporation after ten years			$65,725			$41,364
Gross amounts invested in Northern Ontario section			$144,795			$124,795

NOTE (1): Interest costs increase in this year over the preceding year because of the additional investment required by the Crown Corporation for compressor facilities to handle increases in gas volume.

The rental payable to the Crown Corporation for the use of the line is calculated in two parts. A basic unit rental for each mcf of gas put through the line is to be paid, the amount of such unit rental to be determined by the formula set out below. In addition there is provision for an annual rental, payable for the first time in the fourth year of operation, equivalent to 1% of the cost of the Northern Ontario section and payable by the company only to the extent that earnings are available. (The income projections indicate that the company will be able to meet this additional rental.)

There is, however, a further limitation on this additional rental whereby it will be payable only to the extent necessary to bring the total rental of each year from the commencement of operation up to 7% of the total cost of the Northern Ontario section. If actual sales volumes should be equal to the present estimates of "probable" sales the additional rental would be payable in the fourth year only.

Buy-back Arrangements

An important provision of the proposed agreement is that the company shall purchase the Northern Ontario section from the Crown Corporation as soon as it

(Continued on page 60)

Trans-Canada's Financial Outlook

TRANS-CANADA PIPE LINES LIMITED
INCOME PROJECTION FOR THE SIX YEARS ENDING OCTOBER 31, 1957 TO 1962

	1957	1958	1959	1960	1961	1962
	(In thousands of dollars)					
Revenues from sales of gas	$21,576	$56,506	$70,149	$79,856	$81,062	$83,054
Operating						
Cost of g	$12,549	$23,058	$28,056	$33,545	$34,104	$34,663
Other op. as and maintenance	1,225	5,045	5,450	5,831	5,831	5,831
Rental payment to Crown Corporation	....	6,403	8,571	9,615	9,978	9,325
General taxes	502	1,617	1,650	1,688	1,688	1,688
Income taxes	.....	....	3,082	4,687	5,017	6,168
	$14,276	$36,123	$46,809	$55,366	$56,618	$57,675
Depreciation at 3½ % of cost	4,209	8,999	9,327	9,327	9,327	9,327
	$18,485	$45,122	$56,136	$64,693	$65,945	$67,002
Utility operating income	$ 3,091	$11,384	$14,013	$15,163	$15,117	$16,052
Interest:						
First mortgage bonds	$ 3,713	$ 7,425	$ 7,290	$ 6,840	$ 6,390	$ 5,918
Bank loans	1,500	.....	.....	.....	.....	.....
Subordinated debentures	2,585	2,585	2,585	2,585	2,585	2,585
Amortization of debt discount and expense	125	137	137	137	137	137
	$ 7,923	$10,147	$10,012	$ 9,562	$ 9,112	$ 8,640
Less interest charged to construction	2,745	242				
	$ 5,178	$ 9,905	$10,012	$ 9,562	$ 9,112	$ 8,640
Net income	$(2,087)	$ 1,479	$ 4,001	$ 5,601	$ 6,005	$ 7,412
Times gross interest payments earned:						
After depreciation and income taxes	....	1.1	1.4	1.6	1.7	1.9
Before depreciation and income taxes	....	2.0	2.6	3.1	3.2	3.7
Estimated rate base	122,000	258,000	259,000	250,000	241,000	232,000
Percent utility operating income to rate base	2.5%	4.4%	5.4%	6.1%	6.3%	6.9%

Note: The above income projection is based upon similar projections in the Company's report dated Sept. 22, 1955 but differs therefrom in the following respects:
(1) The Company's projections are based in whole or in part on estimates of minimum "take or pay" levels of sales, while the above projection is based on estimates of "probable" sales.
(2) As a result the above projection allows for the higher costs attendant upon the earlier completion of compressor facilities required to handle the higher volume of sales.
(3) The Company's projections do not show the full interest cost on its securities but rather show only the approximate amount of interest which would not be capitalized. The above projection shows full interest costs and also the credit to income for interest capitalized.
(4) The Company's figures for income taxes are based on the assumption that income taxes would be held to a minimum by claiming for tax purposes depreciation in excess of the amounts written on the books. While in practice the company undoubtedly would hold down its taxes in this way, the result would only be to defer taxes to later years when the depreciation allowance was used up. Accordingly a truer picture of income earned in a year is given if the income tax figure is based on the depreciation actually written in the accounts rather than on the maximum amount which may be claimed for tax purposes, and this assumption is made above.

WHOLLY-OWNED GOVERNMENT PIPELINE
INCOME PROJECTION FOR THE SIX YEARS ENDING OCTOBER 31, 1957 TO 1962

	1957	1958	1959	1960	1961	1962
	(all figures in thousands of dollars)					
Gross revenues	$ 6,647	$33,836	$43,072	$51,107	$57,816	$61,587
Operating expenses:						
Cost of gas	$ 4,646	$11,130	$14,546	$17,530	$20,300	$21,727
Other operations and maintenance	1,200	4,300	5,000	5,200	5,260	5,300
General taxes	502	1,570	1,616	1,671	1,671	1,671
	$ 6,348	$17,000	$21,162	$24,401	$27,231	$28,698
Amount available for interest	$ 299	$16,836	$21,910	$26,706	$30,585	$32,889
Interest costs	$ 8,499	$11,512	$11,616	$11,282	$10,780	$10,137
Less interest charged construction	4,741	139				
	$ 3,758	$11,373	$11,616	$11,282	$10,780	$10,137
Amount available for depreciation	$(3,459)	$ 5,463	$10,294	$15,424	$19,805	$22,752
Depreciation at 3½ % of cost	$ 4,005	$12,000	$12,453	$12,453	$12,453	$12,453

New Capital for Oil and Gas Development

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Great Plains

A very substantial improvement in the level of productive drilling has been experienced by Great Plains Development Co. in 1955, reflecting development of a large acreage held in the Pembina area.

Working capital has shown a gradual decrease in recent years to $2.6 millions at the beginning of 1955 but liquid asset position has been fairly well maintained in 1955 despite increased activity.

An agreement entered into with Canadian Petrofina late in 1954 calls for that company to pay all of Great Plains development costs with respect to 16,960 acres in the Buck Lake (Pembina) field in which Great Plains has a 37½% working interest. Canadian Petrofina is entitled to recover its costs from one half of Great Plains share of production until costs are recovered after which Canadian Petrofina is entitled to one third of such production.

During the first six months of 1955, Great Plains had a participation in 64 wells drilled in Alberta and three in Manitoba. Of these, 46 were completed as oil wells as follows: 34 in the Pembina area; six in the Joffre field; three in the Wayne field and one each in the Gilwood and Rose Creek areas of Alberta and the Lulu Lake area of Manitoba. The company had participated in completion of 36 oil wells and two gas wells in all of 1954.

Oil income has risen rapidly in recent years amounting to $651,662 in 1954 with a further substantial increase expected in the current year as the result of Pembina drilling. There was a loss of $658,254 last year as against $746,469 a year earlier. Funded debt amounts to $8,388,500.

Okalta Oils

Features of 1955 for Okalta Oils were change in control and absorption of Jasper Oil Corp. through issue of 1,580,875 treasury shares. H. B. Griffith became president while John H. Wilson is now vice-president and managing director.

At the time the new interests (identified with Jasper) assumed control after a court fight, it was stated that Okalta would become more active. After absorption of Jasper, Okalta was expected to have $1,250,000 available for the carrying out of a new development program.

In 1954, Okalta had reported gross operating income of $602,009 and net earnings of $279,629. After all charges there had been a net profit of $89,632 or 4.9c a share as against a $14,399 profit the year previous. There was no funded debt and working capital had amounted to $793,890 at the beginning of 1955

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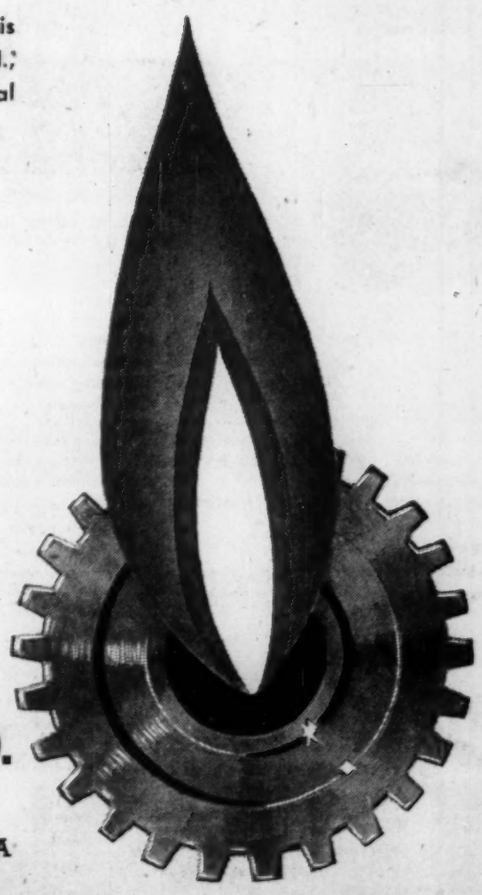
3. North West Pulp & Power Ltd.
North Canadian Oils Ltd. — St. Regis Paper Co. Ltd.
Hinton, Alberta.
35 million dollar development.



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Here Are Gas Stocks To Watch

New "Gas Era" Will Be Reflected In The Marketplace

Impact of the Trans-Canada gas pipeline on gas utility companies is expected to be tremendous. With availability at last of large supplies of lower-priced natural gas all the big utilities will be able to embark on large-scale expansion programs.

Although switchover to natural gas, and the accompanying extension of service into expanded areas, will require heavy expenditures, the boost in company earnings potential that will result is expected to far overshadow this initial spurt.

The new era opening up for these companies—some are yet to be formed—will certainly be reflected in the marketplace. Already stepped-up buying interest has come into most of their stocks. But the big stock push should come with definite construction start on the trans-Canada pipeline; later when improved earnings start to show up following the difficult first one to two market build-up years.

The major factors greatly improving the whole forward outlook of these companies which formerly operated on manufactured gas is the measure of control they will now have over operating costs.

Under the long-term gas supply contracts that are being completed with Trans-Canada they will know exactly what they are going to have to pay for natural gas some 20 years hence. With manufactured gas the costs could change almost monthly with rising coke, coal, labor, transportation charges.

The assured supply of natural gas gives the utility companies access to large industrial markets they would never have considered before. It is the practice of gas utility companies to have a clause in their contract with the transmission company whereby they will have the privilege of supplying most of the industrial markets in their franchise areas.

Development of such markets effect a big advantage to a company's rate structure. Not only does it enable the utility to take full advantage of the better gas rates that go with larger gas purchases, but it also provides the company with the very important advantages of interruptable markets.

These Firms Involved

Here is a list of seven gas utility companies that stand to profit the most from the building of a trans-Canada pipeline:

Canadian Delhi: This company at one time held 100% ownership of the original Trans-Canada Pipe Lines. When it merged with Western Pipe Line to form the current Trans-Canada Company its interest was reduced to 50%.

Recently, however, arrangements have been made to permit Tennessee Gas Transmission Corp. of Houston, Texas—biggest gas transmission firm in the world—take a one-third participating interest in Trans-Canada, the other two original groups (Canadian Delhi and the Western syndicate) also taking a third share.

If Canadian Gulf, owner of the big Pincher Creek gasfield in southern Alberta, exercise an option to take a much smaller participating interest, then Canadian Delhi along with the other two major partners will end up with around a 30% interest. When financing for pipeline job takes place these sponsors will take their proportionate position in the equity financing.

As well as its interest in Trans-Canada Pipe Lines, Canadian Delhi—maintaining active oil and gas developments programs in Western Canada—owns over one trillion cu. ft. of natural gas in Alberta, and has oil reserves estimated at around three million bbls.

Canadian Delhi, which trades on the over-the-counter market in Toronto and New York, is currently priced around $9 a share.

Consumers' Gas Co. of Toronto: The switch-over from manufactured to natural gas opens up an entirely new era for this, the oldest gas utility in Canada. Although faced with some worrisome problems — some special, some usually associated with conversion — the long-term outlook for Consumers' is excellent.

The market area is huge—second largest in Canada—and company is taking steps to extend its franchise privileges into other municipalities. Gas supply will be virtually unlimited in time and competitive position with other fuels should improve steadily with market build-up.

"The introduction of natural gas and reduction in rates to a level competitive with other fuels has caused an increase in the annual sales volume of 1,54,151 m. cf., or 29.4% over 1954 volume based on a comparable natural gas heat content," Oakah L. Jones, vice-pres. stated in recently released annual report covering operations for fiscal period ending Sept. 30, 1955.

Rapid growth in period since conversion was completed last Feb. 17 is shown by 3,667 new housheating installations, new industrial contracts for an annual minimum of 579,000 m.cf., 51 square miles of new area being served and the equivalent of 296 miles of 3-inch main laid to new service areas.

Dividend Policy

Dividend payments of 80c a share were maintained although net income dropped to 66c a share. "Although we have not earned our dividend in 1955 and will probably not do so in 1956, it is your company's intention to continue its present dividend policy," A. L. Bishop, president stated.

Consumers' has leased the 80-mile, Niagara-to-Toronto pipeline built last year by Trans-Canada and will operate it until such time as Western Canadian gas reaches Ontario, at which time operation reverts to Trans-Canada. At that time too Consumers' will switch over to use of Canadian gas.

There is a clause in the lease deal, however, which gives Consumers' the option to buy the Niagara-to-Toronto line from Trans-Canada at the end of five years if Western gas has not arrived here by that time.

Several promising large-scale industrial sales contracts have been completed in recent weeks and hopes are high for several more of these.

Changes in company's charter have made for a more attractive situation as far as shareholders are concerned. Restrictions as to future financing have been removed and company will no longer be restricted as to profits distribution. The former bond retirement and building funds have been done away with and incorporated into standard balance sheet form. Company stock is trading in the $22-$23 a share range.

Interprovincial Utilities: This company was formed in 1950 to acquire the gas assets from the former Ottawa Light, Heat & Power Co., following a sale of that company's electrical facilities to the Ontario Hydro-Electric Commission. Company plans to distribute natural gas, obtained from a spur line from Toronto-Montreal section of Trans-Canada line, to the Ottawa-Hull-Gatineau Point market.

Company is currently negotiating with Trans-Canada on a satisfactory sales agreement.

Financial position has improved from date of formation and earnings from manufactured gas operations have been running somewhat better than depreciation charges. Capitalization consists solely of 140,000 shares of common stock, all of which is outstanding. Stock has been relatively inactive and ranging for months between $10-$11 a share.

International Utilities Corp. (Head-office, New York): This company formerly held a 12½% interest in the Trans-Canada Pipe Lines project. But with recent move of Tennessee Gas Transmission Corp. into one-third partnership in Trans-Canada, Company's interest will be reduced to around 7%.

Besides this International Utilities controls (nearly 100% stock ownership) the two largest natural gas utility companies in Canada—Canadian Western Natural Gas (supplying Calgary, Lethbridge, Banff, etc.), and Northwestern Utilities (supplies Edmonton and other communities). The current oil boom has had a big impact on operations of the subsidiary companies.

Gas sales have more than doubled since 1947 and reflecting this earnings of International have also doubled in this period. International also controls one electric utility (Canadian Utilities supplying some 235 communities in Central and Northwestern Alberta) and three propane companies operating in the province.

Net profit for the nine months ended Sept. 30, 1955, was $2.2 millions, 5.3% lower than same period in 1954. Company stock, which trades on the New York Stock Exchange and the Toronto and Montreal Stock Exchanges has firmed up in recent weeks to current level of around $41½-$42 a share.

Union Gas Co. of Canada: Company has drawn up long-term expansion plans that would virtually triple scope of operations. Start of major expansion programs depends entirely on securing additional supplies of natural gas. These extra supplies could come from either one of two sources—Texas gas via Panhandle Eastern Pipe Lines in U. S. or Western Canadian gas via the Trans-Canada gas pipeline.

Hearings before the Federal Power Commission in Washington on a Panhandle request to export to Union Gas an additional 15.5 billion cu. ft. of gas annually has been going on for several months now. Union already has a contract with Panhandle under which up to 5.5 billion cu. ft. of U. S. gas is imported annually at a Detroit-Windsor crossing point.

Early this year the company concluded a contract with Trans-Canada calling for 20-year deliveries of Alberta gas to the Union system in Southwestern Ontario. Over this period Union will purchase in excess of 300 billion cu. ft. of gas. Deliveries will start as soon as pipeline reaches Toronto. Bulk of gas will be delivered during low-demand summer months.

Through its ownership of 99% of the outstanding common shares of United Fuel Investments, the company should participate handsomely in the anticipated big natural gas market to be developed in Hamilton. Recently a subsidiary of United Fuel Investments completed a gas purchase deal with Consumers' Gas Co. of Toronto which will enable converting a large section of the Trafalgar township (west of Toronto) market from manufactured to natural gas.

Net profit of Union Gas in year ended Mar. 31, 1955 was $2.75 a share ($2.42 previous year). Company is currently paying $1.40 a year in dividend on the common. Stock has strengthened in recent weeks to the $49-$50 a share level.

United Fuel Investments: Through subsidiaries distributes manufactured gas in Hamilton area. The combined franchise area extends eastward to Oakville, Ont.

With large-scale availability of natural gas this company will change-over from manufactured and start out on a large-scale expansion program. Perhaps no other Canadian city in Eastern Canada offers such a well-balanced gas market — residential, commercial and industrial — as Hamilton. The wide range of heavy and smaller industry in company's franchise area enables rapid load build-up with plenty of potential interruptable markets.

This company has a good record of operations with manufactured gas and has managed to stay quite competitive with other fuels despite steadily rising cost trend in manufactured gas.

Recently, United Suburban Gas—a wholly-owned subsidiary operating in Trafalgar township—signed a natural gas purchase contract with Consumers' Gas Co. of Toronto. The gas will be derived from present Niagara-Toronto gas pipeline which handles imported gas from Texas.

Winnipeg & Central Gas: Market and earnings outlook for this Winnipeg operation are looked on as excellent. Gas purchase contract has been signed with Trans-Canada and company is ready to switch city to natural gas as soon as the western link of the all-Canada line reaches the city—expected by next fall.

While waiting for natural gas company has been aggressively developing new gas markets through interim supply of propane. There is one major industrial gas user in company's area—Canada Cement Co. With arrival of gas company anticipates to boost services three to four times. Customers now number 15,000; it is hoped that this number will be boosted to 50,000-60,000 over next 10 years.

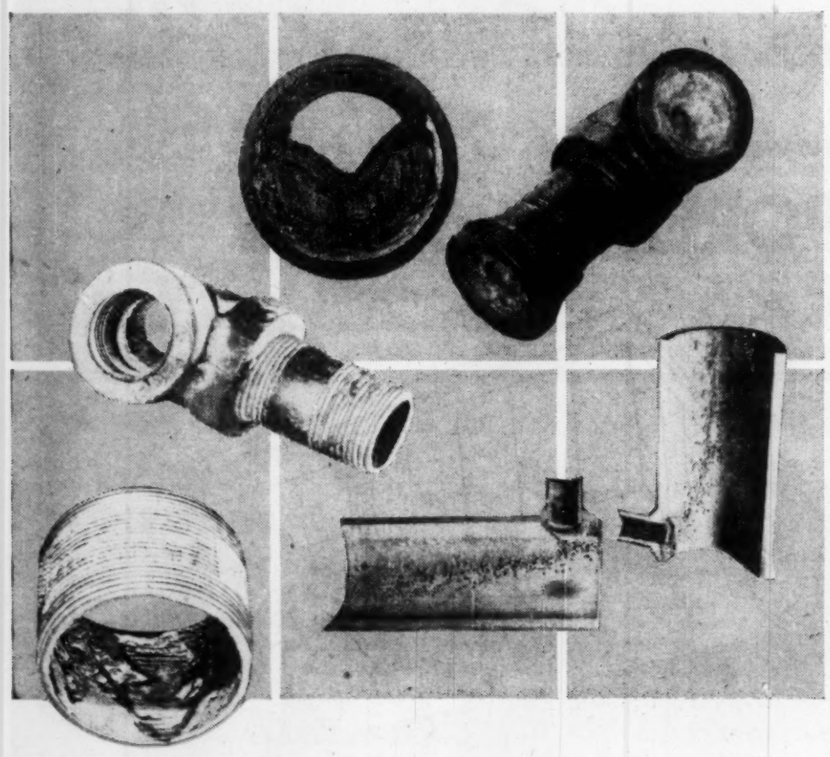
Winnipeg & Central Gas was formed in 19[illegible] to take over and operate the gas properties of Winnipeg Electric Co. There are only 564,929 common shares outstanding of an authorized 1 million. Stock reached a high earlier this year of $19½ a share but eased down sharply to a low of around $11½. In recent days stock has firmed up to $12½ level. The stock is bound to firm sharply as actual construction start on line gets under way.

NEW FIELDS TO DISCOVER

The full resources of Home Oil Company Limited are committed to the exploration and development of Western Canada's oil and gas reserves.

Home Oil Company Limited

Calgary, Alberta



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How TIMKEN bearings maintain rotor adjustment in versatile, heavy-duty pump

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Timken bearings provide thrust control for the large power-driven rotor shaft gear. They permit adjustments for proper end clearance and also prevent the pump rotor from wearing against the pump head. Their tapered construction lets them take heavy thrust loads as well as radial loads in any combination.

Timken bearings hold wear to a minimum because they practically eliminate friction. That's because they're designed to roll true and because they're made with microscopic accuracy to conform to their design. You're doubly assured of Timken bearings' quality because we make our own steel.

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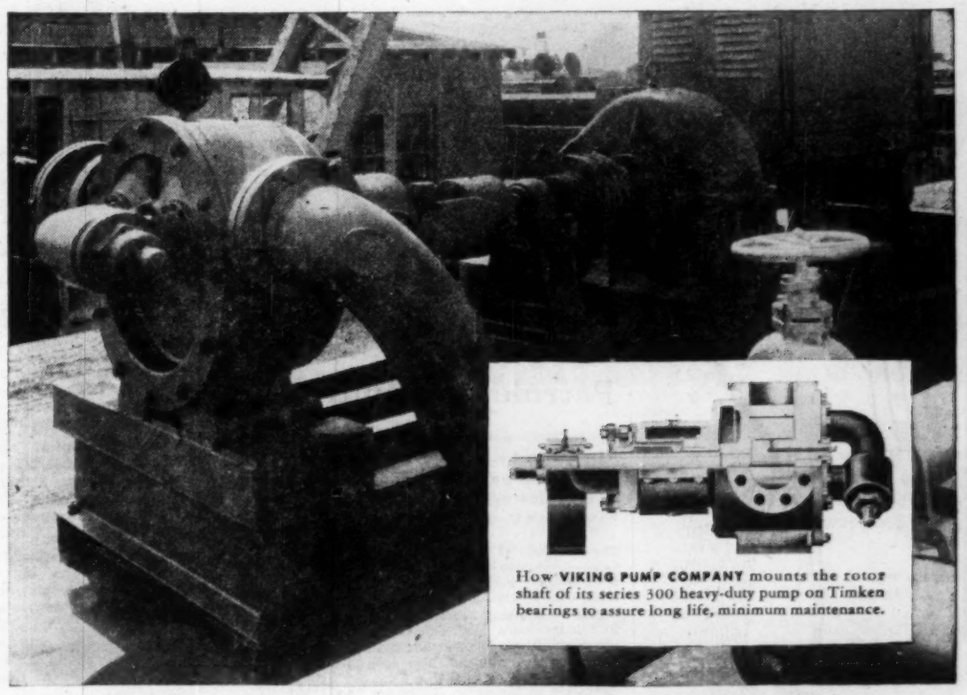

How VIKING PUMP COMPANY mounts the rotor shaft of its series 300 heavy-duty pump on Timken bearings to assure long life, minimum maintenance.

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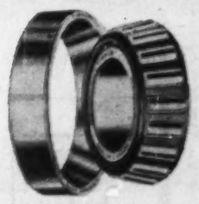
TAPERED ROLLER BEARINGS
FOR CANADIAN INDUSTRY



NOT JUST A BALL ○ NOT JUST A ROLLER ⊂⊃ THE TIMKEN TAPERED ROLLER ⊂⊃ BEARING TAKES RADIAL ⟨⟩ AND THRUST —⟨⟩— LOADS OR ANY COMBINATION

This Brings Gas Line Into Focus

(Continued from page 58)

can arrange the necessary finances. Obviously, the ability of the company to finance such a purchase must depend upon the development of the necessary earning power to service satisfactorily the additional debt and capital which it might raise for the purpose. It is, therefore, not possible now to determine when the company will purchase the line, but it is clear that the more successful is the development of the company's Canadian markets, the earlier will the purchase of the line become possible.

The price will therefore be:

(a) Total capital cost of the Crown Corporation less the excess of all rentals over an annual return of 3½% on invested capital and capital obligations, assuming the Crown Corporation has semiannually reduced capital and debt by all funds received in excess of such 3½% return, but in no event will the price be less than:

(b) The total investment in the Crown Corporation plus a return of 3½% per annum on the amount invested from time to time, or

(c) The total original cost of the Northern Ontario section and additions thereto, less depreciation of 3½% per annum and interest on such accumulating depreciation compounded at 3½% per annum, or

(d) 70% of the cost of the Northern Ontario section at its initially designed capacity.

ESTIMATED ANNUAL RENTAL PAYMENTS TO CROWN CORPORATION

Yr. end. Oct. 31	Based on estim. of "probable" sales (per Sched. A1)	Based on estim. sales in Canada only "Probable" sales	Minimum "take or pay" sales
	(thousands of dollars)		
1958	$6,403	$3,763	$2,516
1959	8,371	5,931	3,872
1960	9,615	7,235	4,481
1961	9,973	9,377	6,351
1962	9,325	9,870	6,766
1963	10,064	10,609	7,339
1964	10,762	11,327	7,919
1965	11,500	12,045	8,500
1966	12,109	11,478	9,080
1967	12,689	12,058	9,660
1968	12,689	12,689	10,240
1969	12,689	12,689	10,530
1970	....	....	10,530

Government Operation

If the governments attempted to operate the line themselves they would face considerable difficulties. In the first place governments have no experience in gas pipeline operation and they would have to employ experienced operators without being able to give them the incentive of ownership or part ownership of the line. Secondly, the governments would be in the position of having to balance the consumer and producer interests and there might be a division of opinion between the governments of gas-producing and gas - consuming provinces. There are few objective standards by which it could be determined whether the producers were getting too much or too little for their gas on the one hand, or whether the consumers were paying too much or too little on the other.

Even if the governments rented the line or turned over its management to some private organization, so long as they owned the line they could hardly escape some responsibility for the policies of the private organization. Therefore, any such arrangement with a private organization would probably only be satisfactory in the short run.

It appears, therefore, that even if the governments built the line initially they should try to engage an operator for the line who would accept an obligation to take over the line from the governments at some time in the future.

The terms of such an arrangement would have to be carefully thought out. The following are among the major considerations:

(1) The governments should probably require that at least a certain minimum of the money to be supplied by private interests be in the form of common stock capital. This would give the public generally the opportunity to invest in the enterprise and would also lessen the possibility of excessive appreciation in the value of the common stock resulting from a high-leverage factor. On the other hand it would have to be remembered that the return necessary on common stocks is higher than on bonds and that a company would have to pay income tax before earnings were available for common stock. As a result money raised by common stock is considerably more expensive than money raised by bonds and the customers of the pipeline would have to pay for it in their rates. It thus appears that the initial capital structure should be settled as part of the terms of the purchase agreement with private interests and that subsequent capital issues of the purchasers might properly be brought under regulations.

(2) The price to be paid by the private interests for the line would have to be settled. It may be argued that because the governments would be able to build the line more cheaply than private capital by reason of lower interest rates, the private interests should pay to the governments a price for the line equivalent to what they would have had to pay to build it themselves and the governments should make a profit on the sale. On the other hand, the whole purpose of government intervention is to offset the effect of an uneconomic route for the pipeline. If then the governments required private interests to pay the full cost of building the line by such a route, they would in part defeat the purpose of lending their credit to the project and the consumers would pay higher gas rates as a result. Probably the most satisfactory basis would be actual cost to the governments less amortization actually earned.

(3) The price of gas should not increase after the governments sell the line to private interests. This means that before the sale the line would have to be earning revenues sufficient to pay the income tax and sustain the capital which would be required under private control.

(4) The public would have to be assured that a competent regulatory authority would prevent the purchasers from making unreasonable profits from the line.

Company Progress Reports

New Continental

A net profit of $128,277 equal to 2c a share was realized by New Continental Oil Co. in the year ended March 31, 1955, compared with a net loss of $125,429 the previous year. The profit in the latest year was after allowing $266,050 in depletion and depreciation. Production income for the year totaled $586,517 while royalty and other income brought total revenue to $643,702.

Working capital deficit was reduced from $446,938 to $222,071 during the year.

As at March 31, 1955, New Continental had interests in 72 oil and four gas wells in Alberta and Texas and royalty interests in 87 gross wells equal to 63 net wells, in Alberta.

By March 31, 1955, the amount owing from production on Texas properties had been reduced to $35,000 and payment in full was expected by the end of this year.

In return for certain acreage interests, a 12,000-ft. Ellenburger test is to be completed on the company's Texas property.

Investigation of the possibilities of placing the company's Bonnyville wells on production has been carried on by Oilmont Petroleums Corp. of Montreal.

A 15% interest is held in 24,590 acres in the Athabasca tar sands area, and an interest in 536,652 acres in the Toad River area, B.C.

Kroy Oils

Kroy Oils showed a reduction in oil income in its latest fiscal year as share of income from Joseph Lake dropped from 25% to 17½% reflecting recovery of total investment in this field. Gross income from production declined to $401,299 in the year ended April 30, 1955 ($555,249 a year earlier) while income was $279,701 after deduction of royalties. Net amounted to $23,734.

Principal income is derived from 75 oil wells in the Joseph Lake area and 14 wells capable of production in various other fields. Gross oil reserves at April 30, 1955, were estimated at 2,525,000 bbls. Since that time an interest has been acquired in a quarter section at Pembina which has been successfully developed.

Gas reserves in the Kessler area, where an interest in 10 capped gas wells is held, amounts to an estimated 12 billion cu. ft. In addition, Kroy holds interests in six additional gas wells in various areas including a well at Campbell Creek where a flow of 33 million cu. ft. of gas a day was indicated on test. A 20% interest continues to be held in Edmonton Pipe Line Co.

Balance sheet as at April 30, 1955, showed working capital of $598,209.

Jupiter Oils

Jupiter Oils earned $358,205 before amortization and depreciation in the nine months ended Sept. 30, 1955. Production income was added to during the year by drilling of two wells in the Pembina area which were estimated to have added $15,000 monthly to the company's income, on basis of the company's 10% interest.

A 20% interest has been retained in the profitable Edmonton Pipe Line Co. but the company has sold its bond interest. Jupiter has also purchased 485 shares of Peace River Pipe Line Co. at $10 a share. This company will pipe oil from the Sturgeon River field to the Trans-Mountain pipe line.

Last fall Jupiter acquired, through its U.S. subsidiary, an interest in 12,500 acres of Gulf Coast properties formerly held by private interests and estimated to have a potential worth of $12.5 millions. There are stated to be a "multitude of proven locations" for additional wells.

Working capital at June 30, 1955, amounted to $523,547 and further finances were received by sale of shares at $2.25 a share later in the year.

Trans Empire Oils

Improved production and earnings results have been reported by Trans Empire Oils this year.

In the first seven months, oil sales were 303,188 bbls., an increase from 290,433 bbls. the same period of 1954. Sale value of output was down slightly at $570,520 from $584,540 due to a decline in the average price for crude.

Net profit for the seven months was $97,702 after write-offs and other expenses against $17,100 a year earlier when write-offs were heavier.

Increased production is hoped for from both Leduc and Campbell wells due to repressuring activities.

Bulk of the company's current exploration budget is being allocated toward participating in exploration of 1.6 million acres in Northeastern British Columbia where seismic work is expected to be followed by drilling of at least one well.

At Jan. 1, 1955, "present worth" of the company's oil and gas reserves was estimated at $7,622,700. In addition, physical assets had a depreciated value of $536,500 while net current assets were approximately $195,000. Sinking fund notes outstanding amounted to $1,643,974.

Calgary & Edmonton

A sharp improvement in earnings was recorded by Calgary & Edmonton Corp. in the year ended June 30, 1955. Net profit of $929,895 was equal to 39 cents a share as against 28 cents a year earlier and was more than double the profit of the 1953 fiscal year.

Working capital rose over $450,000 to $2,343,922 after distributing 10 cents a share in dividends. Taking securities at market value, working capital would have been over $2.7 millions.

In the new Westward Ho light-oil field where the company holds properties checkerboarded through the productive area, C. & E. also holds participating interests up to 25% and/or royalty interests in over a half dozen other wells with development continuing.

Calgary & Edmonton holds petroleum interests covering approximately 1,142,109 acres and holds varying interests in a further 227,947 acres, all in Alberta. Royalty and/or participating interests are held in 183 oil wells and 33 gas wells.

The company enjoys a royalty interest covering most of the Pincher Creek gas field and the signing of a contract by Canadian Gulf with Trans-Canada Pipe Lines covering over 1.3 trillion cu. ft. of gas is thus of considerable importance to C. & E.

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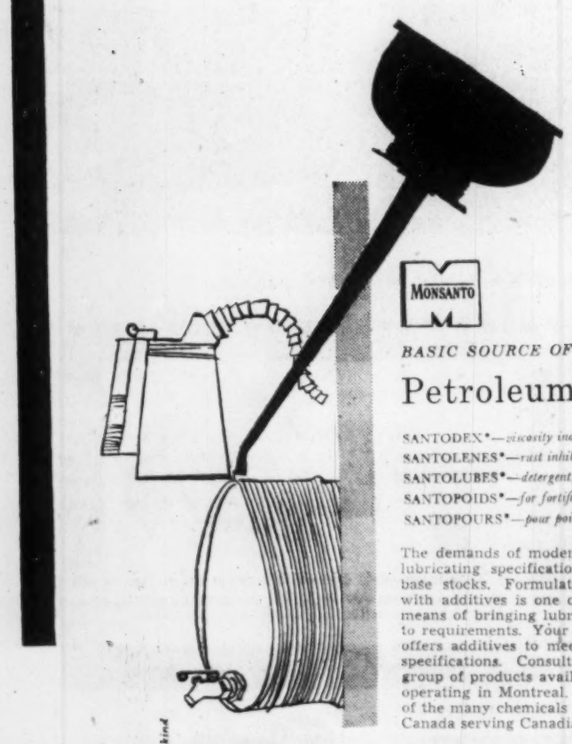
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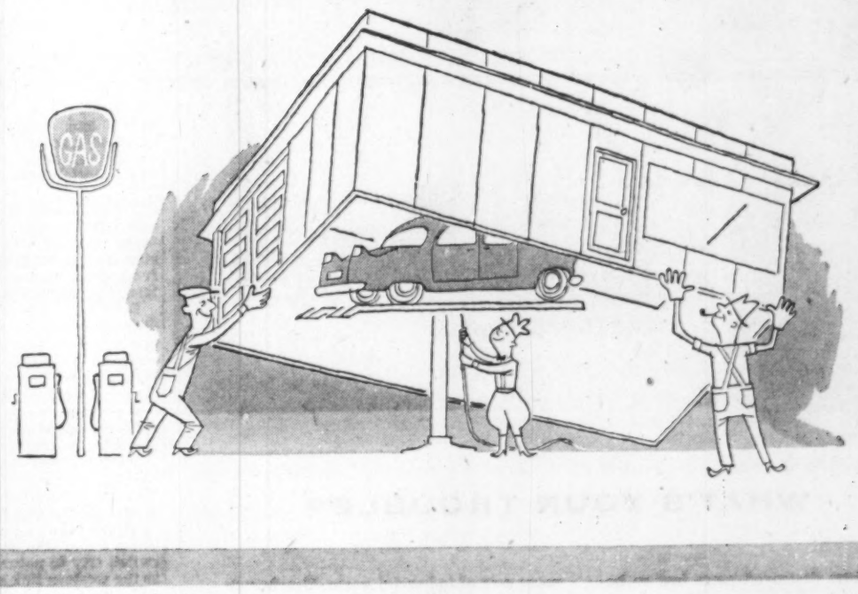

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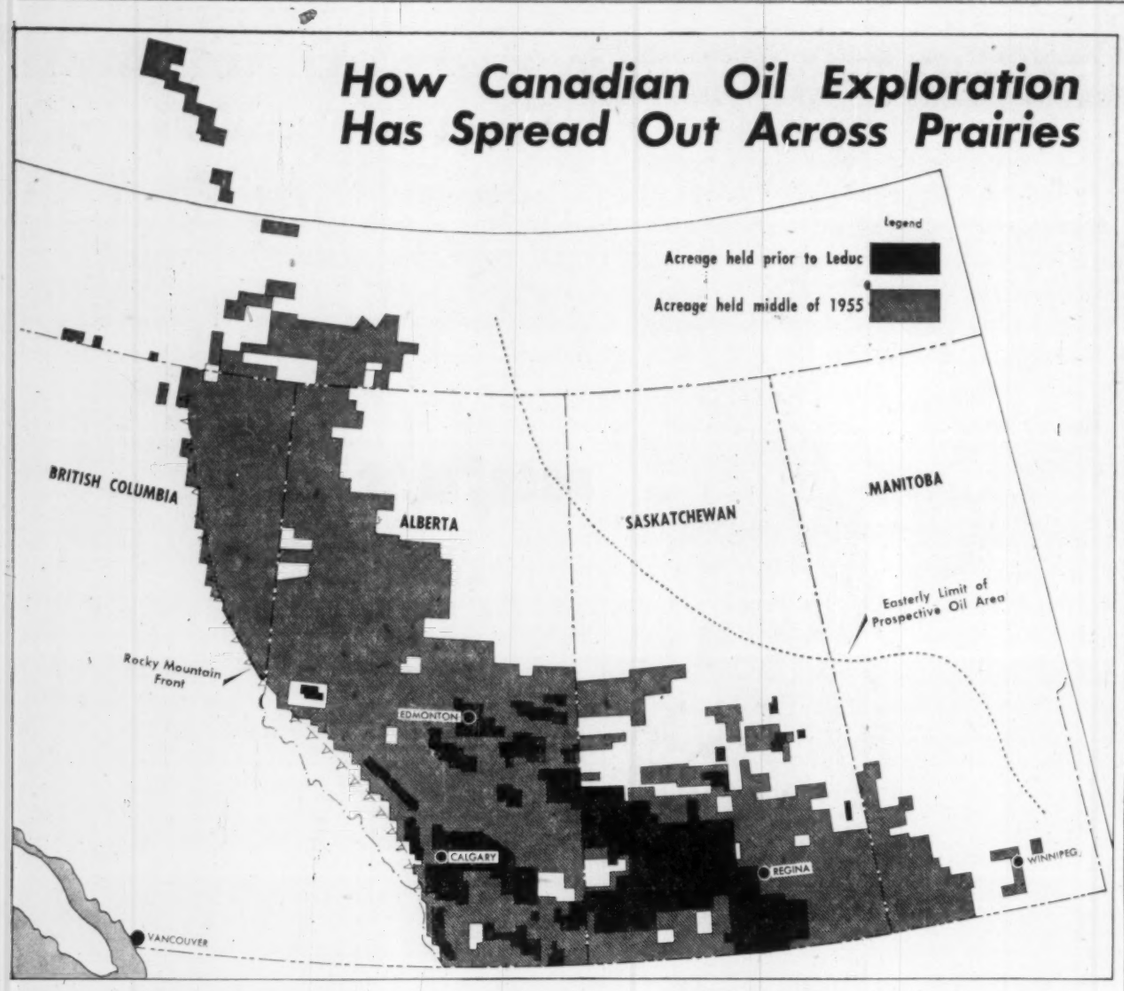

Pembina: New Giant of Oil Industry

Newest and Biggest Field Backs Exploration Boom

Pembina is the new giant of the Canadian oil industry.

It is the chief single reason behind the boost of Canada's oil reserves into new high ground.

It is the prime factor behind this year's record western drilling activity—and record capital expenditures.

It is expected to become Canada's leading oil producer some time within the next year.

It is the big reason why this country could use additional oil markets any time they can be developed.

When the lush Redwater field was found and the Alberta treasury experienced a multimillion enrichment through sale of oil rights, there were many who were ready to concede that history was hardly likely to repeat itself with a similar field. Fields like Redwater couldn't be expected every day and it was just too much to expect another.

But history has found a billion barrel oil field which leaves even Redwater behind. Some experts think that Pembina may eventually yield a total of as much as 1.5 billion bbls. of oil from a staggering 500-square-mile area.

In October, 1954, Pembina had only 28 wells capable of production. Necessity of building roads —and extremely poor weather in the 1954 season—had kept actual drilling of this lush new field at a very low pace. Production was running little better than 3,000 bbls. a month.

In just a year's time, Pembina and the associated Buck Lake sector have passed the Leduc-Woodbend field in actual oil production. As the Redwater field is regarded as completely developed, Pembina appears certain to pass it in daily output within a matter of months.

The Record

Let's look at the statistical record of Pembina achievements:

—670 producing wells completed by Nov. 1, 1955.

—78 further wells either drilling or in process of being completed.

—69 well locations announced but wells not yet spudded.

In the week ended Oct. 24, 1955, Pembina had a recorded output of 71,479 bbls. per day as against 2,679 bbls. a day the same week of the previous year and an average of 61,586 bbls. a day for Leduc. Redwater output was 91,144 bbls. daily.

Wells are currently being completed at a rate of 70 a month.

What Pembina has already achieved, however, is but a small part of expectations. A total of 4,000 wells will be drilled in the Pembina area, it is believed. Ultimately—if markets can be found —this field may produce as much as 250,000 bbls. of oil a day or over $200 millions of oil a year.

The great extent of the Pembina area suggests that it will be a huge provider of revenues for the Alberta Government. Not only can perhaps $250 millions be expected in oil royalties but the province has already been securing multimillion payments for Crown-held oil rights. The Nov. sale produced $20.7 millions of cash from Pembina tracts.

New Area Opening?

Location of Pembina 75 miles west and southwest of Edmonton has brought appreciation of oil possibilities of a large new area of "rough country" which may have high oil merit.

Bulk of Pembina production is expected to be secured from the Cardium sand, the original discovery zone back in June, 1953.

But other formations have shown commercial production as well.

The Socony-Vacuum-Seaboard team made a discovery in the Basal Quartz section of the Basal Blairmore formation in their Violet Grove well in January, 1954. Then there was the securing of a 25-ft. pay in the Mississippian formation in a Stanolind-Central Leduc Del Rio well in March, 1954.

A fourth producing zone—the Viking sand—had been found by the Canadian Delhi-Great Plains Development et al Minnehik 11-33 well in December 1953.

Alberta owes a great debt to Pembina for the opening up of a "dead heart" area. Big oil companies have put roads through tremendous areas, large areas of muskeg have been drained, and civilization has come to a new section of the west. Both the Leduc and Redwater oil fields had been found in settled country with roads and well-developed farms. Pembina was different. But difficulties of terrain just slowed the first development of Pembina. Now that large-scale development is in hand, drilling in the field will likely be as fast or faster than that following earlier discoveries.

Ajax Petroleums

At its 1955 annual meeting, Ajax Petroleums forecast a gross income of $1,022,000 and a net profit of over $400,000 before depreciation, depletion and amortization for the 12 months ending June 30, 1956. This reflected a planned 23-million cu. ft. sale to Canadian Chemical Co., the principal customer.

Negotiations have also been carried on looking to acquisition of new customers and a more active part in gas and oil exploration has been considered.

A net loss of $163,914 was reported for 1954 but the higher gas transportation rates effective for a three-year period, commencing April 1, 1955, improve revenue and profit prospects.

There was an excess of current liabilities over current assets of $431,658 at the beginning of 1955 but the company was successful in securing a revision of sinking fund payments on the company's funded debt last May. Ajax Alberta Pipeline is a subsidiary which delivers the company's gas to market.

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Great Sweet Grass
OILS LIMITED has started its natural gas drilling program in the St. Lawrence Lowlands area of Quebec, about midway between Montreal and Quebec City on the North shore of the St. Lawrence River.

This represents the beginning of an extensive drilling program to test the more than 20,000 acres (covering approximately 30 square miles) recently acquired by the company in this field — where more than 50 natural gas occurrences have been disclosed by shallow drilling.

According to a recent report prepared by Dr. T. H Clark—consulting geologist and Professor of Geology at McGill University—"The probabilities of finding commercial quantities of natural gas are of high order."

In addition to the foregoing, the company has important exploration and development programs under way and on the planning boards that, on completion, will cover more than one million acres of other potential oil and gas lands located in over 20 fields in Canada and the United States.

To date . . . exploration initiated by Great Sweet Grass has resulted in the discovery of two important gas fields in Western Canada . . . with varying interests in 32 gas wells with natural gas reserves of approximately 140 billion cubic feet.

Great Sweet Grass Oils Limited acquisition of management-control in CANADIAN OIL AND GAS RESERVES LTD. adds substantially to the over-all picture.

Confirmation received from Ottawa on Nov. 22nd last that an agreement has been signed by Canadian interests—including the Federal Government, the Ontario Government and Trans-Canada Pipe Lines Ltd.—for the construction of the Northern Ontario section of the projected Trans-Canada pipe line gas gathering system is welcome news to Great Sweet Grass Oils Limited—since the latter currently holds a firm contract for the sale of natural gas to Trans-Canada over a 25 year period.

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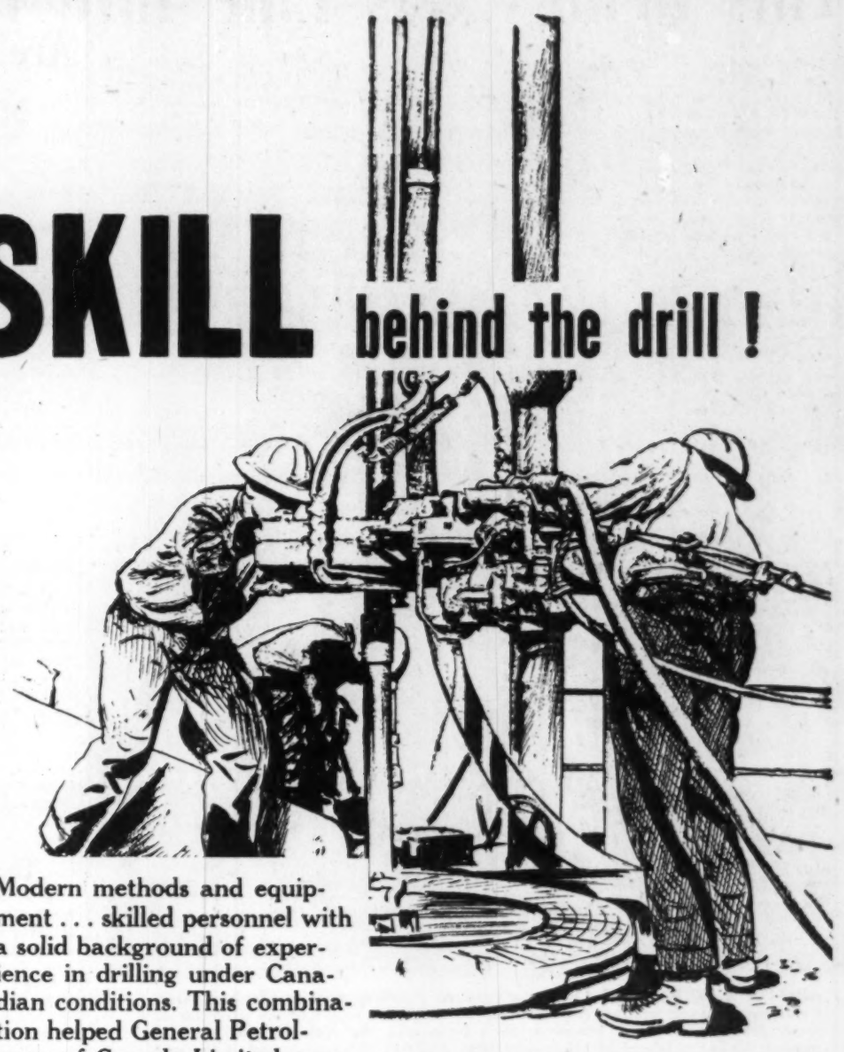

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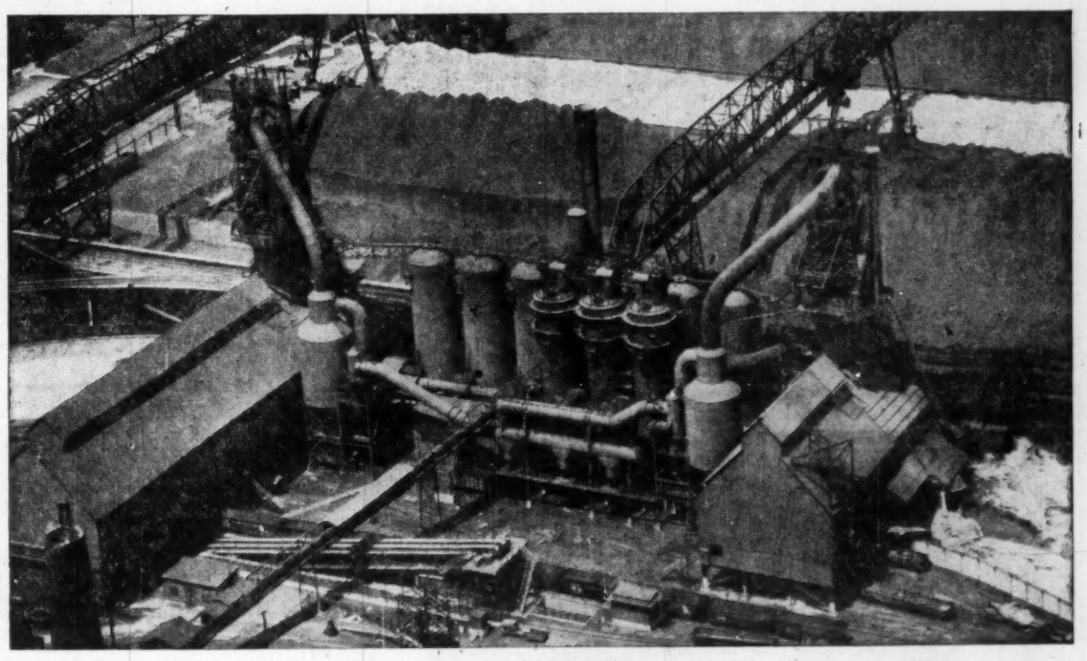

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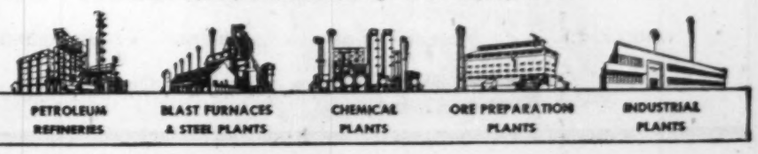

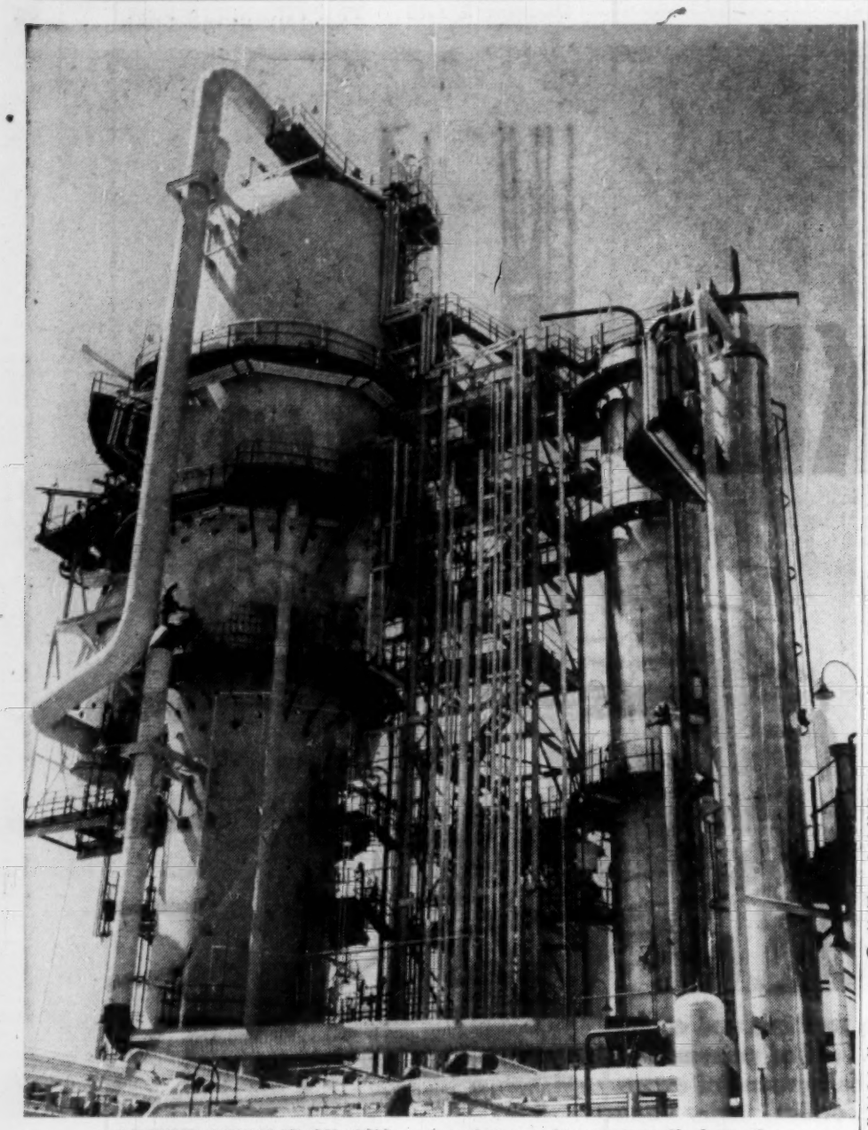

BRITISH AMERICAN OIL CO'S new catalytic cracking unit at Clarkson, Ont. Catalytic cracking perimts fractionating of crude oil into various products at lower temperatures and pressures than by earlier thermal methods. It also permits higher yields of gasolines with higher octane ratings. At end of the war there was very little catalytic cracking capacity in this country but constantly expanding demand for higher octane gasolines has brought about a broad wave of construction in which every major refiner has taken part. Total cracking capacity is now running over 300,000 bbls. daily.

Canso Nat. Gas

Canso Natural Gas holds gas right on close to 500,000 acres in Alberta, Saskatchewan and Manitoba.

Greatest immediate potential for revenues is believed to be the Smiley-Dewar-Coleville gas unitization project in which a 26% interest is held. To Dec. 31, 1954, the company's proportionate share of gas deliveries by the unit totaled 118 million cu. ft. Canso Natural Gas has gas interests in the Hoosier-Dewar and Hatton areas in Saskatchewan and Okotoks and Sibbald areas in Alberta.

Outlook for the company has benefited through the maturing gas marketing plans of Trans Canada Pipe Lines.

Balance sheet as at Dec. 31, 1954, showed current assets of $529,559 including $447,044 cash as against current liabilities of $236,825. There were long term receivables of $208,353.

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•

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Commonwealth

A dividend of 35c a share was paid by Commonwealth Petroleum on Oct. 14, 1955, the same as was paid in October a year ago. A net profit of $831,121 or 42c a share was realized in the year ended Sept. 30, 1954, as against 54c a share a year earlier.

As at Sept. 30, 1954, holdings included 944,007 shares of Commoil Ltd., 1,475,630 shares of Command Oils, 1,066,752 shares of Commonwealth Drilling Co. and 45,000 shares of Commonwealth Supply & Service Co.

Commonwealth rates as one of the larger contract drilling companies in the west and the improved level of drilling operations in 1955 is believed to have been of benefit to the company.

Outside interests have sought to purchase control of the company but have been informed control is not for sale.

How Western Oil Companies Are Faring

Mid-Western

Mid-Western Industrial Gas is engaged in supplying gas from its own wells to industrial customers. The company operates its own pipeline and gathering system.

Initial customer was Sherritt Gordon Mines which is being supplied under a 20-year contract. A 10-year contract has been entered into with Calgary Power Co., effective Oct. 1, 1956, for delivery of up to 22 million cu. ft. of gas a day for the first unit of a new steam plant at Lake Wabamun, Alta. In June, 1955, another contract was completed for delivery of up to 14 million cu. ft. of gas daily for a 20-year period to North Canadian Oils for use by North Western Pulp & Power Co.

Proven gas reserves were estimated at 170 billion cu ft. late in 1955.

There was a net profit of $25,636 in the year ended Aug. 31, 1955, with proceeds from gas sales amounting to $310,216. Balance sheet as at Aug. 31, 1955, showed $504,532 current assets as against $153,606 current liabilities. There were $2 millions of 5% notes outstanding.

Cost of the proposed 31-mile pipeline from the Alexander Indian reserve field to Lake Wabamun is estimated at $1,250,000.

Britalta Pete.

The improved prospects for marketing of gas in Southern Alberta through the anticipated completion of the Trans-Canada Pipe Lines projects could mean a great deal to Britalta Petroleums which has a 50% interest in an estimated 408 billion cu. ft. of gas in the Many Islands field as well as a 50% interest in a gas well at Winchell Coulee.

Profits have been reported running higher this year due to better drilling conditions and greater demand for drill rigs. Contract drilling revenue in the year ended April 30, 1955, amounted to $1,120,048. After contract drilling and administrative costs, including depreciation of $118,107, net drilling revenue amounted to $22,986.

Total expenses and write-offs amounted to $205,611, leaving a loss of $182,625 which was capitalized in line with the company's established policy.

As at April 30, 1955, current assets amounted to $730,561 including over $178,000 of cash and bonds as against current liabilities of $297,001. Funded debt amounted to $550,000. When arrangements are completed for delivering gas from the Many Islands field, additional financing is expected to be completed.

Merrill Petroleums

A tremendous increase in production has been achieved by Merrill Petroleums as a result of drilling operations in the Pembina area.

Late in 1954, Merrill held 10% interest in 49,460 acres in the main Pembina field, 5% interest in 36,311 acres in the adjacent Buck Lake sector, a 2.5% interest in 17,280 acres (of which 7,680 acres subject to gas rights only) and 8% interest in a further 12,160 acres; to the west, a net 0.7% overriding royalty held in 500,000 acres in the West Pembina and Cynthia areas; to the north, an interest held in 49,285 acres in the Lobstick area.

A 20% interest was acquired in a further 1,120 acres at Pembina this year through purchase at Crown auction.

As one of the original Pembina discovery companies, Merrill has been participating in a major Pembina development program.

To Oct. 25, 1955, 310 producing wells in which the company has interests had been completed in the Pembina and adjacent areas. Merrill's share of production from 302 producing wells in September, 1955, amounted to 63,495 bbls. and compared with 6,623 bbls. from 34 wells in September, 1954.

Reflecting its concentration on heavy-drill expenditures, Merrill had a loss of $1,166,258 in the year ended June 30, 1954, and $288,684 in the six months ended Dec. 31, 1954. However, income for the first six months of 1955 rose to $1,971,261 and net income before write-offs was $304,981. After all charges there was a net profit of $33,207 against a $569,404 loss for the first half of 1954. With revenue continuing to increase, a larger net profit is anticipated for the last half of 1955.

To finance its big development program, Merrill arranged a bank credit of $2 millions which was later increased by $750,000. It is expected that this line of credit will likely be completely used by the end of this year but that revenues from production will then probably be sufficient to meet continuing development costs.

At June 30, 1955, primary reserves at Pembina were estimated at 29,577,770 bbls. with an additional 16 million bbls. expected to be recoverable at Pembina through secondary recovery methods.

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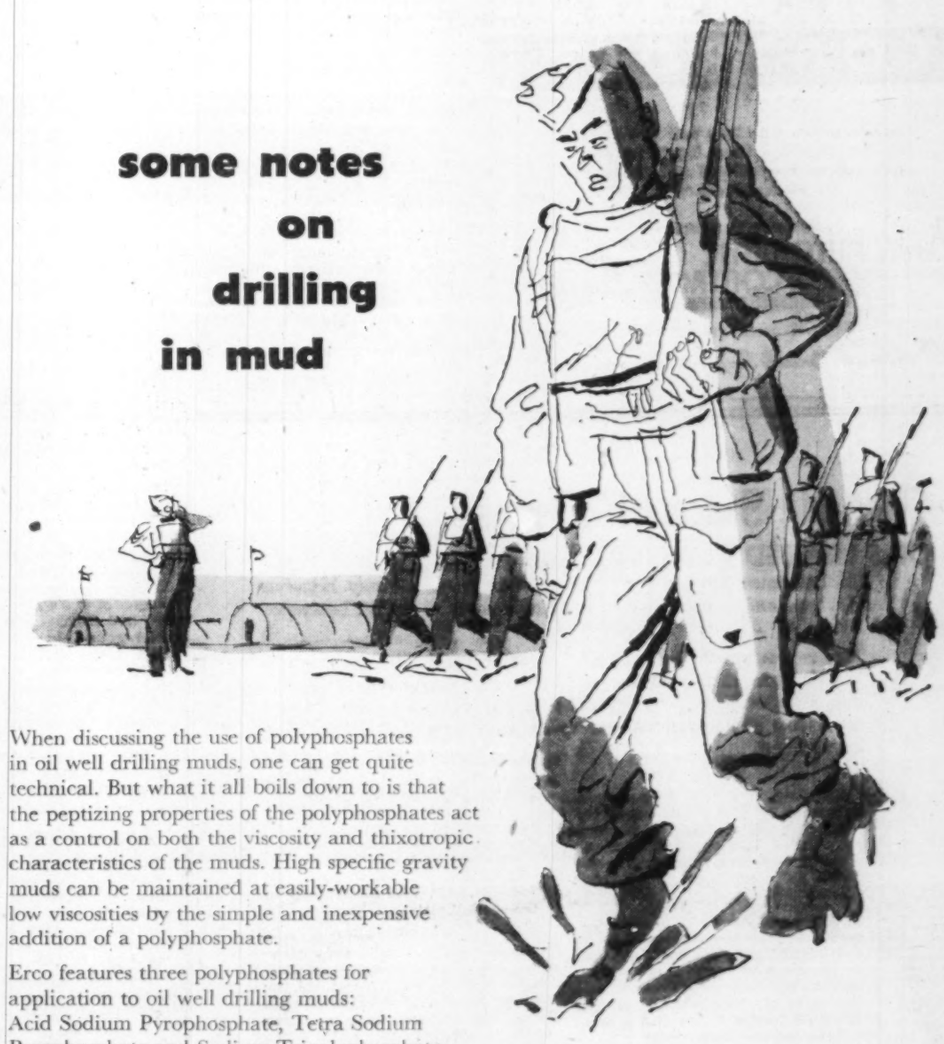

When discussing the use of polyphosphates in oil well drilling muds, one can get quite technical. But what it all boils down to is that the peptizing properties of the polyphosphates act as a control on both the viscosity and thixotropic characteristics of the muds. High specific gravity muds can be maintained at easily-workable low viscosities by the simple and inexpensive addition of a polyphosphate.

Erco features three polyphosphates for application to oil well drilling muds: Acid Sodium Pyrophosphate, Tetra Sodium Pyrophosphate and Sodium Tripolyphosphate. While the decision as to which is best for each particular mud is based on empirical data, the experience of Erco engineers can save you weeks of trial and error.

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Hunt for Oil, Gas Gains New Interest In Eastern Canada

Long before Leduc became a symbol of Canada's oil boom, there was a first-class oil rush in Ontario's Lambton County. Recent findings show Canada's first oil well — and very likely North America's — had gone down 146 ft. some time before 1857, was producing 60 bbls. a day, and had precipitated a frenzied rush for Ontario's black gold.

Eastern Canada's pre-eminence as an oil and gas producer has long since faded before the gush of western wells. But in the last year there's been a drive to renew its steadily producing gas and oil fields and to explore, drill, develop its still-untapped areas.

And these operations have been no penny-ante venture. In 1955 the gas and oil industry poured an estimated $4.6 millions into exploration and development ventures. At least 10-15% greater than last year's investment, three-quarters of this was spent in Ontario's southwestern counties.

Over a dozen companies took part in the search. Big investors in this probe for gas and oil are: Imperial Oil Ltd., Union Gas, Calvan Consolidated, Consolidated West Petroleum, Lake St. Clair Gasfields.

Behind the eastern exploration push is the lure of highly profitable products. There's a ready market for everything the wells can produce in this industrialized and high-fuel-cost market. And with no pro-rating of output as in the west, all-out production with its economies is a possibility. Also the drilling dollar goes further in the east; such costs are anywhere from 40-80% lower than in the prairies.

The exploration chief of a large Canadian oil company told The Post when the exploration season opened up last spring: "You'll find more and more oil companies entering the eastern exploratory drive over the next few years." And another added: "If anything comes up with a real promising show, look out for the rush."

There's been no stampede — but oil and gas companies are bringing in new wells at a respectable rate and are investing almost twice as much as they did a few years ago. About 100 exploratory wells and 220 development wells will be the '55 total before the year is out. Approximately 8% of the exploratory wells and 75% of the development wells tapped new potentials.

Offshore Drilling

Highlighting the 1955 exploration expansion is the success of offshore drilling operations in Lake Erie and Lake St. Clair. Two companies have been investing heavily in this underwater gamble for gas.

Consolidated West Petroleum Ltd., drilling underwater from portable platforms off Port Alma, stepped up its operations during the May - September season. Spending over $300,000 the company sank seven gas wells, all successful strikes.

Combined potential is estimated at 11.5 million cu. ft. daily. This brought the company's wells to 19 with a combined potential of 20 million cu ft. daily.

An extension of the Tilbury field, this gas has been found one, two, three and four miles out in the lake. Last drilling of the season was at the four mile step-out where a strike was made. Consolidated West Petroleum has under lease 20 sq. miles and holds exploration licenses for another 45 sq. miles.

The company expected to see its gas flow commercially in larger quantities by the end of November. Pipelines were laid underwater this summer and a new contract was negotiated on Oct. 1, with Union Gas which allows for increased flows as reserves are proven.

In 1956, operations will be expanded, company officials told The Post. They expect another 12 wells will be drilled, expenditures will be somewhat greater than this year, two more drilling platforms will be added.

Lake St. Clair Gasfields Ltd., a Ventures - Frobisher operation, struck out into Lake St. Clair this year. Investment totaled close to $450,000. Extensive underwater gravitymeter surveys were completed on 80,000 acres and six wells were sunk from a rotary drilling barge brought from Houston, Texas. Excellent success is reported from well No. 5. After two successive acidations, the yield was reportedly brought to 3.8 million cu. ft. per day with open flow. Because of unusual porosity conditions, reserves cannot be estimated.

It will be uneconomic to build a pipeline to this well until the field had been more fully traced out. Underwater drilling has stopped now on Lake St. Clair, but during the winter months the company plans to begin land drilling — target: eight or ten wells — on 2,150 acres contiguous to well No. 5. Another six wells will likely be drilled next summer on Lake St. Clair.

The company also hopes to begin offshore drilling in Lake Erie using portable platforms with cable tool drills instead of its rotary drilling barge.

Union Gas Explores

Union Gas Co., while primarily a gas distribution company, is continually exploring for and developing natural gas resources in Western Ontario. Over the past 10 years it has invested an annual average of $385,000, sinking between 20 to 30 wells each season.

In 1954 the company made two new discoveries and brought in six important development wells. This year, work was completely exploratory in contrast with previous years when the emphasis was on developing known gas-producing areas. Union Gas struck out into areas far removed from such developed gas fields as West Lambton, sinking 22 exploratory wells in Huron, Middlesex and East Lambton counties. One discovery resulted — a commercially productive oil well in the Grand Bend area.

By the end of June, 1955, Union Gas had 327 producing wells in Southeastern Ontario with an annual output of over 1.7 billion cu. ft. (The company purchases 5.2 billion cu. ft. locally and imports another 5.2 billion cu. ft. annually). Exploration activities are expected to be continued next year at the same pace with the company testing anomalies found in its gravity survey of 1,200 sq. miles a few years ago.

Imperial Invests

Biggest single investor in Eastern Canada's oil-and-gas search is Imperial Oil Ltd. This year the company pumped an estimated $1¼ millions into exploration and development work.

Drilling was concentrated in Southeastern Ontario where 36 exploratory wells and 11 development wells were sunk. Development wells went down in these areas: Morepath (four wells), Mooretown (1), Zurich (2), Kimball (1), Bickford (1), Charlemont (1), Grand Bend (1).

Of these, three were important natural gas strikes — Morepath, Kimball, Bickford. Estimated potential of these three: 2.5 million cu. ft. daily. Exploratory work was undertaken in that area west of a line drawn from Owen Sound to St. Thomas. Morepath's natural gas may stretch out under Lake Erie. If it does this may take Imperial Oil into its first offshore drilling next summer as it delineates the Morepath field.

Imperial Oil's program in Southern Ontario has entailed widespread exploratory work and the drilling of 40-50 wells each year. Company officials expect current potential production gains to support next year a program of this year's magnitude.

Productionwise, Imperial is Eastern Canada's giant. In 1954, its wells produced 83,000 bbls. of the East's total oil production of 415,000 bbls. of oil. Natural gas output from Imperial wells totaled 4.6 million cu. ft. out of a total area production of 10.2 million cu. ft. Volume of Imperial's 1955 production will be roughly the same.

Quebec's south shore from Montreal to Quebec City is being closely examined by Imperial Oil survey teams. This is the second summer work has been carried out on the company's leased land blocks of 600,000 acres. No drilling has yet been done.

But exploratory work was stepped up this summer: two geological survey teams, a gravity party, a seismic party and a few groups doing structural test drillings to supplement surface mapping were at work. This possible oil-and-gas area is doubly attractive to the company because of its proximity to densely populated urban industrial centres.

Drill Near Montreal

Drilling may begin next summer on the south shore. The Post was told. Company officials say that up to this moment no suitable location there has been established, but "we hope to firm up something for next summer's drilling, perhaps drill one or two locations."

Oil Selections Ltd. announced this month that it also will begin explorational work in the St. Lawrence lowlands. Claims totaling 33,000 acres have been transferred to the company and Radar Explorations have been engaged to do a geophysical survey.

This operation will take place on land east of Montreal covering the Vercheres islands and some 16 miles along the St. Lawrence River. The claims lie immediately above the Imperial Oil south shore holdings.

Another entrant in the St. Lawrence lowlands hunt is Great Sweet Grass Oils Ltd. In August this year, the company reported it would begin an eight-well drill program over 30,000 acres spread between Quebec City and Montreal. Favorable indications are expected at 1,500 ft.

Further east, Gaspé Oil Ventures Ltd., and associated companies are continuing exploration work in the Gaspé where over the years various indications of oil have been found. However, it is reported that no surveying work at any drilling of consequence was undertaken this year.

Oil and gas production in New Brunswick is confined to one company, New Brunswick Oilfields Ltd., operating in the Stoney Creek field near Moncton. Its production has been holding fairly steady, though dwindling slightly over the years. It will produce in 1955 an estimated 178,000 cu. ft. of natural gas and 13,000 bbls of crude oil. This compares with 177,000 cu. ft. of gas and 14,700 bbls. of oil last year.

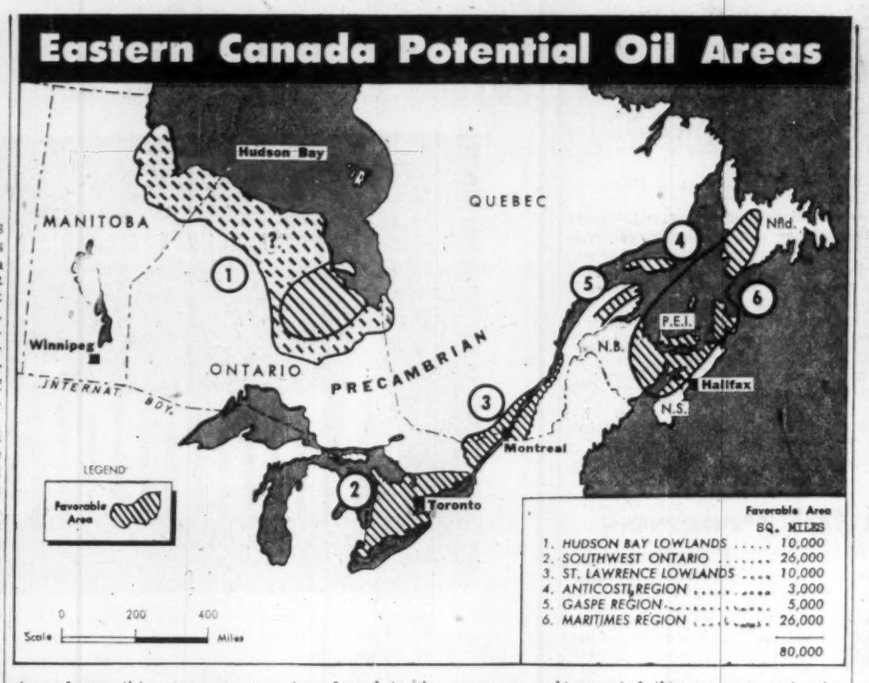
During the year, no new exploratory wells went down, but two development wells were sunk. The company hopes to capitalize on a new extraction method, the fracture process, to revive its Stoney Creek field and convert it into a major oil producer.

It brought in O. H. Parker Oil Producers of Oklahoma to drill six wells at an estimated cost of $750,000. By early summer the tests using the fracture process had been completed, two wells had been drilled and a reported 500-bbl. daily potential was announced.

Elsewhere in the Maritimes there was little activity. During the summer some geological survey work was undertaken in Newfoundland but no reports of discoveries were announced. In Nova Scotia, Sun Oil did not initiate new work on its Cumberland area holdings. Nova Scotia Oil and Gas Ltd. brought in a consulting geologist to resurvey the Hants County area.

Imperial Oil announced this September an exploration program was under way in Prince Edward Island. The company plans to survey oil possibilities on some 500,000 acres. An aeromagnetometer survey party is now working and expects to finish its job before the end of the year.

This is the first Imperial exploration venture on the Island. Earlier attempts by other interests resulted in the drilling of Canada's deepest well. An offshore hole near Hillsborough Bay went down 14,686 ft., without striking oil.



Oil Company Reports

Calvan Consol.

A 91% interest in Calvan Consolidated had been acquired by Canadian Petrofina in November, 1955, and the latter company has assumed an interest in direction of the company.

Revenue from oil production after royalties for the five months ended May 31, 1955, amounted to $769,000 including $34,000 realized by Calvan American Inc. In addition, gross sales of Redwater Utilities, a subsidiary supplying gas and water to the town of Redwater, amounted to $43,000. Other income for the period including gains on sale of mineral rights totaled $482,000.

Working capital at May 31 amounted to approximately $3 millions, an increase of $700,000 from the beginning of the year.

At June 30, 1955, the company held varying interests in 3,658,706 acres of unproven properties, amounting to 782,202 net acres. Interests were held in over 100 producing oil wells, many of them in the Redwater area. The company continues its 10% interest in development of Viking sand oil in the Rocky Mountain House area. A substantial interest is held in gas with a stake of about 10% in 600 billion cu. ft. of reserves in the Provost area.

United Oils

As the largest shareholder in Federated Petroleums, United Oils has a large interest in next week's proposed merger of Federated and Home Oil.

United had 1,024,121 shares of Federated and 235,581 Home Oil shares at the beginning of 1955 but the company also had $3,250,000 of bank loans largely assumed in purchase of Federated and Home shares. It is the intention of United to take only class "B" shares of Home Oil under the proposed merger which would give it approximately 35.6% of the voting power of the merged company if Federated-Home shareholders elect to take the maximum of 1.5 million Home "A" shares to which they are entitled.

A consolidated net loss of $95,350 was reported in the five months ended May 31, 1955. In the full previous year there had been a loss of $904,072 reflecting nearly $600,000 of write-offs.

United has been participating in Pembina development and has large gas interests.

Wilrich Pete.

Wilrich Petroleums during 1955 extended its interest to uranium and lithium fields, reporting beryllium showings on a 1,000-acre lithium prospect acquired in the LaMotte-LaCorne area of Quebec. Work was done on the company's Bancroft holdings.

A controlling interest is held in Excelsior Refineries.

Early in 1955, a 50% interest was acquired in the net on 2,280 acres of oil and gas leases in Wyoming.

Interests held in Pan-Israel oil Co. and Mediterranean Petroleum Corp. have been made more attractive by the recent discovery of oil in Israel.

At the end of October there were 7,687,617 shares issued of an authorized capital of 10 million shares.

Royal Canadian

Royal Canadian Oils has considered possible amalgamation with other independents recently. In the meantime, the company has announced its intention to participate in worthwhile projects in the mining, oil and gas sphere.

On the 150,000 acres in the Blindloss-Buffalo area in which a 5% interest is held, gas reserves are reported in excess of 120 billion cu. ft.

Balance sheet as at Dec. 31, 1954, showed current assets of $24,632 as against $1,492 current liabilities. An interest is held in Excelsior Refineries while production revenue runs about $50,000 a year.

Midcon O. & G.

In partnership with New British Dominion, Midcon Oil & Gas will build a $1 million pipeline from the Etzikom gas field to serve the proposed $22 million petrochemical plant of Northwest Nitro-Chemicals. Gas will also be sold under contract to Medicine Hat.

Midcon earlier reported gas reserves of approximately 80 billion cu. ft. in the Etzikom field.

Testing is in progress at the gas-oil discovery of Canadian Export Gas on a 60,000-acre block in which Midcon has a 4 7/32% interest.

Financial position of the company was improved by sale of 300,000 shares to Alator Corp. at 75 cents a share in October. J. Bradley Streit has been elected president of the company.

Vulcan Oils

A 1½% participation in development programs of Oil Operators by Vulcan Oils had resulted in 15 producing oil wells and two capped gas wells by the beginning of 1955 and the Westward Ho oil discovery serves to improve Vulcan's prospects.

A 5% interest is also held in the Chamberlain Bindloss gas development where gas reserves are estimated at 160 billion cu. ft.

An interest is held in Newclare Oils.

Net profit in 1954 was $15,441, working capital $3,487.

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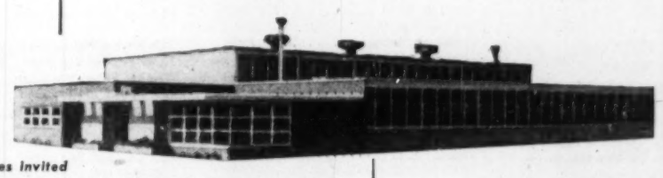

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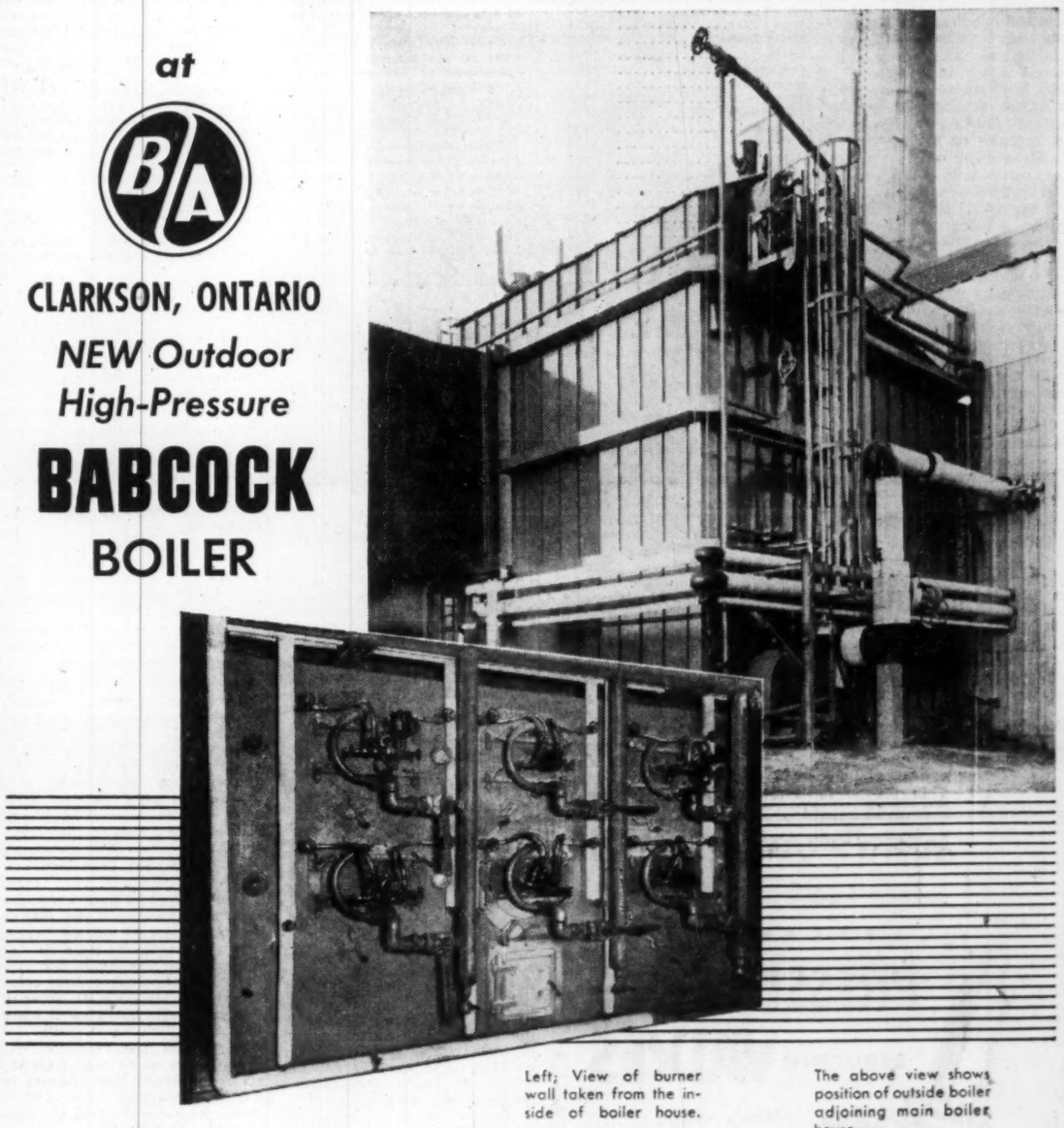

Left; View of burner wall taken from the inside of boiler house.

The above view shows position of outside boiler adjoining main boiler house.

The recently installed Babcock Type F "INTEGRAL-FURNACE" Boiler, at the British American Oil Co. Ltd., Clarkson, Ontario, has a capacity of 120,000 lbs. of steam per hour and is designed for 875 psi. pressure.

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How Known Oil Reserves Have Grown

At Jan. 1, 1955, Canada's oil reserves were estimated by the Canadian Petroleum Association at 2,415,945,000 bbls., an increase of 372.4 million bbls. over a year earlier.

To a country which probably didn't boast 50 million bbls. of reserves early in 1947 that's a real "chunk of oil."

But it's also an official figure that many people regard as "conservative" and one which is bound to be increased in the years ahead.

CPA officials, in estimating reserves, are only interested in proved oil. The estimate therefore does not include anything for a great deal of additional oil which is incompletely delineated by field development work.

Pembina demonstrates just how conservative the 2.4 billion bbls. of reserves for Jan. 1, 1955, appears. This greatest of all Canadian fields was found in 1953 and it was not long before oil companies were estimating a billion barrels of oil for this one field.

Yet when oil reserves for the end of 1954 were released, a growth in Canadian oil reserves of less than 375 million bbls. was shown.

With intensive development of Pembina undertaken in 1955, this will undoubtedly have a favorable effect on oil reserve year end figures. But it will only be one in great number of favorable factors. Oil discovery has been going on at a pace which could result in a doubling or tripling of our oil reserves in very few years now.

Alberta's new Sundre field is credited by many with reserves of 45 million bbls., but it could easily turn out to possess 100 million bbls. of oil or more.

The big Sturgeon Lake field 200 miles northwest of Edmonton will likely produce close to 175 million bbls. of oil.

Westward Ho, Rocky Mountain House, Ferrier and other 1954-1955 Alberta discoveries could ultimately mean very large extra reserves.

Saskatchewan and Manitoba are both getting to the point where they can demonstrate substantial reserves. A witness for Imperial Oil at pipeline hearings earlier this year cited proven and probable reserves of Southeastern Saskatchewan fields at 200,436,000 bbls. and an Imperial geologist reported that geological evidence was such that reserves should be up to 300 million bbls. by 1960 or shortly after.

Saskatchewan, of course, has very large reserves in its Fosterton region fields and in the Coleville area as well as Lloydminster. Fosterton proper is credited with 40.6 million bbls., Cantaur with 35.6 million bbls.

The extent and thickness of rocks favorable for oil in Northern Alberta, British Columbia, the Yukon and Northwest Territories, is a very hopeful sign for the continued growth of Canadian oil reserves.

Here's Record of Alberta Oil Progress

Field	Discovered	Location	Average depth ft.	Producing zone	Est. Original Reserves (000 omitted) bbls.	Cumulative Production July 31/55 bbls.
Acheson	1950	8 miles W of Edmonton	5,000	Devonian	72,000	9,841,169
Alliance	1951	100 miles SE of Edmonton	3,150	Cretaceous	1,300	69,495
Armisie	1951	8 miles SW of Edmonton	4,050	Cretaceous	1,500	277,987
Barons	1950	85 miles SE of Calgary	4,100	Cretaceous	600	170,658
Bashaw	1951	70 miles SE of Edmonton	5,800	Devonian	300	171,041
Battle	1953	50 miles SE of Edmonton	3,150	Viking	800	199,452
Baxter Lake	1951	120 miles SE of Edmonton	2,200	Cretaceous	500	126,729
Bentley	1955	10 miles SW of Rimbey	6,000	Viking	.....	.....
Bonnie Glen	1952	25 miles SW of Edmonton	7,000	Devonian	300,000	17,688,533
Bonnyville	1951	115 miles NE of Edmonton	1,150	Cretaceous	N.A.	143,509
Campbell	1949	8 miles N of Edmonton	3,700	Cretaceous	10,500	285,189
Cessford	1952	115 miles E of Calgary	2,900	Cretaceous	4,500	498,405
Chamberlain	1951	5 miles E of Edmonton	3,650	Cretaceous	3,650	80,896
Chauvin	1952	25 miles SW of Lloydminster	2,050	Cretaceous	5,000	352,842
Clive	1951	80 miles SW of Edmonton	6,200	Devonian	2,500	505,814
Conrad	1944	45 miles SE of Lethbridge	3,100	Jurassic	2,100	1,596,866
Del Bonita	1942	45 miles SW of Lethbridge	5,150	Mississippian	N.A.	233,163
			6,200			
Dina	1928	152 miles SE Edmonton	1,800	Cretaceous	N.A.	137,148
Drumheller	1951	70 miles NE of Calgary	4,600	Cretaceous	5,000	911,560
			5,450	Devonian		
Duhamel	1950	45 miles SE of Edmonton	4,600	Devonian	20,000	1,950,965
Ellerslie	1950	4 miles S of Edmonton	3,900	Cretaceous	250	181,539
Erskine	1952	100 miles NE of Calgary	5,350	Devonian	15,000	532,699
Excelsior	1949	15 miles NE of Edmonton	3,900	Devonian	20,000	4,810,393
Fairydell-Bon Accord	1949	25 miles N of Edmonton	4,050	Devonian	7,500	927,881
Fenn-Big Valley	1950	90 miles NE of Calgary	5,250	Devonian	55,600	15,319,500
Ferrier	1955	110 miles SW of Edmonton	8,200	Viking	N.A.	4,769
Glenevis	1951	40 miles NW of Edmonton	4,300	Mississippian	N.A.	47,482
Glen Park	1951	15 miles SW of Edmonton	4,600	Cretaceous	6,000	1,461,761
			6,200	Devonian		
Golden Spike	1949	15 miles SW of Edmonton	5,000	Devonian	125,000	8,910,470
			5,600			
Hamilton Lake	1952	135 miles NE of Calgary	2,900	Viking	N.A.	122,650
Hespero	1954	22 miles W of Red Deer	8,800	Devonian	N.A.	14,195
Homeglen	1953	70 miles SW of Edmonton	8,000	Devonian	N.A.	N.A.
Joarcam	1949	40 miles SE of Edmonton	3,200	Viking	105,000	15,663,986
Joffre	1953	90 miles S of Edmonton	4,900	Viking	11,000	1,188,218
Leduc-Woodbend	1947	14 miles SW of Edmonton	4,200	Cretaceous	300,000	110,486,392
			5,300	Devonian		
Legal	1952	25 miles N of Edmonton	2,800	Viking	750	210,904
Little Smokey	1954	170 miles NW of Edmonton	8,765	Devonian	8,500	91,688
Lloydminster	1939	140 miles E of Edmonton	1,850	Cretaceous	N.A.	7,429,526
Malmo	1952	55 miles SE of Edmonton	4,650	Cretaceous	15,000	2,060,906
			5,250	Devonian		
Namao	1951	9 miles N of Edmonton	3,650	Cretaceous	3,500	209,090
New Norway	1951	50 miles SE of Edmonton	4,650	Devonian	6,250	1,182,698
			4,900	Devonian		
Peavey	1952	20 miles N of Edmonton	3,500	Cretaceous	N.A.	147,680
Pembina	1953	75 miles SW of Edmonton	5,600	Cardium	1,000,000	6,828,607
Princess	1940	140 miles SE of Calgary	3,275	Cretaceous	1,300	937,814
			4,000	Devonian		
Redwater	1948	30 miles NE of Edmonton	3,200	Devonian	750,000	127,159,151
Rimbey	1953	70 miles SW of Edmonton	8,000	Devonian	25,000	470,399
Rocky Mountain House	1954	85 miles SW of Edmonton	6,300	Cardium	N.A.	22,087
St. Albert	1953	6 miles N of Acheson	4,700	Devonian	N.A.	281,730
Samson	1953	50 miles S of Edmonton	4,800	Cretaceous	1,250	45,525
Skaro	1951	35 miles NE of Edmonton	3,650	Devonian	150	19,042
Spring Coulee	1950	130 miles SE of Calgary	6,000	Mississippian	250	34,104
Stettler	1949	100 miles NE of Calgary	5,300	Devonian	24,000	3,927,960
Sturgeon Lake	1955	200 miles NW of Edmonton	8,750	Devonian	174,000	392,236
Sundre	1955	70 miles NW of Calgary	9,300	Mississippian	45,000	14,726
Taber	1942	35 miles E of Lethbridge	3,100	Cretaceous	N.A.	1,819,464
Turner Valley	1914	40 miles SW of Calgary	8,000	Madison	135,000	109,624,806
Vermilion	1939	115 miles E of Edmonton	1,800	Cretaceous	N.A.	1,347,277
Wainwright	1926	115 miles SE of Edmonton	2,250	Cretaceous	N.A.	611,007
Wayne	1954	12 miles S of Drumheller	4,600	Cretaceous	N.A.	54,103
West Drumheller	1952	65 miles NE of Calgary	5,650	Devonian	18,000	2,213,231
Westerose	1952	45 miles SW of Edmonton	7,200	Devonian	120,000	3,261,519
Westward Ho	1955	60 miles NW of Calgary	9,050	Mississippian	5,000	5,947
Whitemud	1949	7 miles SW of Edmonton	4,000	Cretaceous	N.A.	156,974
Wizard Lake	1951	25 miles SW of Edmonton	6,300	Devonian	200,000	10,576,780

Note: Reserve estimates are not regarded as exact but give idea of estimated production based on available development.

Here's Record Of West's Oil, Gas Companies

High Crest

High Crest Oils has a share in 28 oil and five gas wells in Alberta and in four oil producers in Oklahoma. The gas wells are capped pending the opening up of a market. Landholdings total 60,960 acres in Alberta, Montana and Oklahoma.

Company is participating in developing natural gas reserves on 60,000 acres in the Atlee area of Alberta, in which it has a 15% interest. Four wells have been completed successfully in the Sunburst sand formation, and three others were dry. This is one of the areas marked for export of natural gas to Eastern Canada upon completion of the proposed pipeline.

At Wainwright, Alta., the company has a 25% stake in 120 acres on which two oil wells have been completed this year. Further drilling is planned.

Oil reserves net to the company are estimated at nearly one million bbls., while reserves of natural gas are calculated at approximately 6.45 billion cu. ft.

Company's net share of oil production for the year ended Sept. 30, 1954, was 72,605 bbls., having a value of $245,775. After deducting all expenses, and allowance of $56,015 for depletion, depreciation and amortization, net profit for the year was $24,836.

Stanwell

Stanwell Oil & Gas has a stake in 15 productive oil wells in Alberta and in acreage in that province and Southwestern Ontario.

At Erskine, Alta., where a 35% interest is held in seven good oil wells, negotiations are under way for further development by Canadian Gulf Oil Co., majority holder and operator of the project. In the Stony Plain field an oil well was successfully completed on 3,200 unitized acres in which Stanwell has a 9.211% share. Further drilling is being carried out.

A new board of directors was elected in the spring of this year, and it states that it will operate the company with a maximum economy insofar as it is consistent with good business practice. One agreement made by the old board whereby the assets of Blair Oil & Gas Corp., a U. S. corporation, were acquired for 850,000 treasury shares of Stanwell, is the subject of litigation. The new directors are endeavoring to have the deal annulled and the shares returned to the company.

Revenue from producing wells for the year ended Dec. 31, 1954, amounted to $97,858. Net loss of $101,534 was transferred to deferred expenditure account.

Souris Valley

Main interests of Souris Valley Oil Co. lie in Southwestern Manitoba. Here the company is continuing its policy of farming out its acreage holdings to other companies for development. This method involves a minimum expenditure on the part of the company, thus leaving the larger part of its working capital available for field drilling in proven or semi-proven areas.

Company owns or holds varying interests in 18 producing oil wells in Manitoba and in three in the Leduc field, Alberta. Lease holdings in those two provinces and in Saskatchewan exceed 100,000 net acres.

Recently an agreement was completed whereby six wells are to be drilled on company lands in the southwest corner of Manitoba. Souris Valley retains 50% in the acreage and in any production and will pay nothing toward the drilling costs other than dry-hole contributions.

During the fiscal year ended Apr. 30, 1955, company farmed out nine parcels of land to others who agreed to put down a test well on each parcel at their own expense. These ventures were all unsuccessful, and the company made cash dry-hole contributions to each. Thirteen wells were also drilled under other types of agreements. In eight of the wells, which were drilled at no cost to the company, it retained interests up to 50%. One of these ventures is on oil production. Three other producers were completed on acreage offsetting company holdings.

Income for the year ended Apr. 30, 1955, totaled $103,535, of which $72,125 was derived from production. After expenses and deduction of $54,739 for exploration and unproductive development, net loss for the year was $153,410.

American Leduc

American Leduc has interests in the production of crude oil and natural gas in Alberta, Wyoming and Cuba, and of uranium in Colorado.

Early this year, the assets of Antone Petroleums were acquired for 1.4 million shares through an exchange of stock on the basis of one share of American Leduc for each three Antone shares.

Company now has a stake in more than 30 producing oil wells and in 10 capped gas wells in several fields of Alberta, in five oil producers in the Mush Creek field, Wyoming, and seven in the new Echeverria field in Cuba. Here the company holds nearly five million acres of permits, including a 50% interest in 15,000 acres checkerboarding the Echeverria area. Farmout deals have been made with a number of independent groups covering company-held lands in various provinces of Cuba.

Net reserves of crude oil are estimated to be in excess of 1.2 million bbls., not including those in Cuba, while gas reserves are about 450 billion cu. ft. All these are in the Pouce Coupe area of Northwestern Alberta.

Uranium oxide is being produced from 14 of the company's 188 claims in the Outlaw Mesa area of the Colorado Plateau. Exploration is planned for properties in the Moab area. Company also holds the Turner uranium property in the same district.

Cash position was augmented by $3.3 millions from September, 1954 to June of this year through sale of treasury stock. There are nine million shares outstanding out of 10 million authorized.

Mill City

In June of this year, Mill City Petroleums acquired all the assets of Mercury Oils Ltd. through an exchange of stock on the basis of one share of Mill City for each 3½ Mercury shares. Right to exchange expires Sept. 15, 1957.

Giving effect to this purchase, company now holds royalty or participating interests in 26 producing oil wells and 15 gassers in various fields of Alberta. The gas wells are capped awaiting a market. Also holds from 12½% to 100% in 178,320 acres in Alberta, and in 1,660 acres in the Smiley and Wapella fields of Saskatchewan.

Future policy of the company will be to obtain possible productive farmout acreage for development, purchase of productive parcels at Crown sales if possible to do so at practical prices, and to obtain government reservations in areas of interest.

Two of the company's gas fields are in line to export gas to eastern Canada when the proposed pipeline is completed. The Kessler field, where Mill City has 12½% to 25% interest in more than 60,000 acres, has been proven for a length of 14 miles with both ends open. Proven reserves have been estimated in excess of 100 billion cu. ft., of which the company's net share is more than 10 billion cu. ft.

The 20% stake in a 5,760-acre lease at Chancellor is reported as becoming more valuable. This field is close to the main line of the proposed gas trunk line system. One gas well has been completed on the tract, with an open flow potential calculated at more than 22 million cu. ft. daily.

Authorized capital is six million shares, and there are 5,425,331 shares outstanding, including 1,064,476 issued for assets of Mercury. Earnings for 1955 are estimated at $330,000, while working capital as of Sept. 30, 1955, was $200,000.

Highwood-Sarcee

Highwood-Sarcee Oils has a production income of about $10,000 a year but has been building up a moderate gas potential. A 5% interest is held in a pooled block of six sections in the Bindloss-Cavendish area where two three-million-cu.-ft. gas wells have been brought in while a 10% interest is held in an 11,520-acre gas reservation in the same area.

Balance sheet as at June 30, 1955, showed $307,451 working capital.

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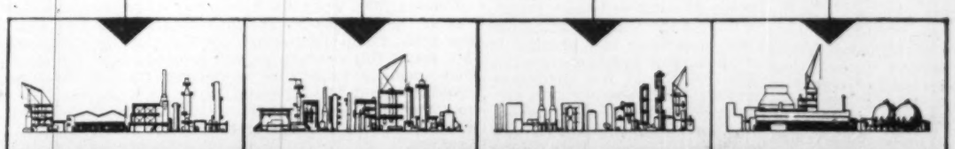
Ammonia Plants?

Canadian Kellogg —WHO OFFER FOUR BASIC PLANT TYPES



Steam Methane reforming under pressure using natural gas, refinery gas or coke oven gas.

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Non-Catalytic Partial Oxidation of natural gas or fuel oils (under license by the Texaco Development Corporation).

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Each of the four hydrogen generation methods offered by Canadian Kellogg is designed for highly efficient operation with the raw materials available in various parts of Canada. In Western and Central Canada the Steam Methane process can take advantage of the abundantly available natural gas and refinery gases. The third process described (above) offers great promise in Eastern Canada because it can use fuel oils, or utilize natural gases which will eventually be available. Processes two and four will be economically attractive in many parts of Canada when more plentiful supplies of hydrogen-rich gas become available as a by-product of increased refining capacities. The Kellogg processes are described in detail in a booklet that is available on request.

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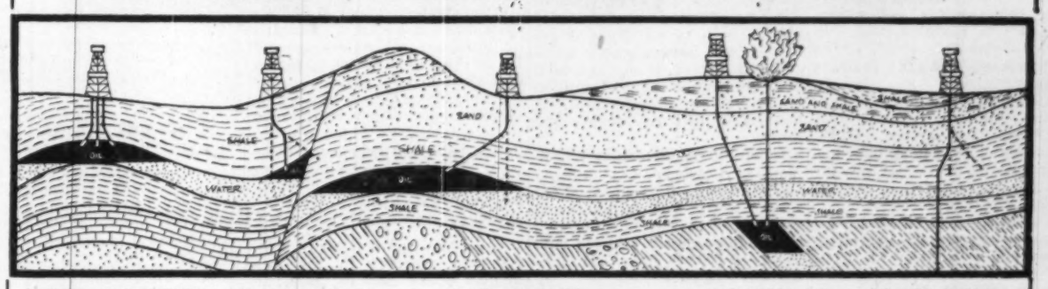

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Progress Reports on the Oil Firms

Rio-Palmer Oils

In July, 1955, Rio-Prado Oil was merged with Palmer Oil Development Co. to form Rio-Palmer Oils. Under the merger, Rio-Prado shareholders received one new share for each four old held while Palmer shareholders received 35 shares for each 100 old.

A total of 2,392,243 shares was issuable under the two exchanges. Following completion of the merger, more than $1.4 million was in the company's treasury, reflecting an underwriting of 500,000 shares of the new company at $2.00 a share by Burns Bros. & Denton.

Interests are now held in 30 producing oil wells with proven oil reserves estimated at 4.5 million bbls. Gas reserves are placed at 28 billion cu. ft. located in the Gordondale area of the Peace River district along the proposed West Coast route.

It was announced in October that Rio-Palmer would develop a farmout a mile south of the Imperial-Hastings light oil discovery in Southeast Saskatchewan.

An undivided 50% interest in 2½ sections will be earned by the company through the drilling of this well. The area in which drilling is being done is one of the most active in Western Canada.

It is expected that completion of a three-mile gathering system in the Chauvin area will improve results from this area in which the company has substantial well interests.

Sapphire Pete.

Sapphire Petroleums early in 1955 announced an unusually advantageous type of development deal for a 250-square mile uranium reservation secured about five miles from Anaconda's large Jackpile mine.

Under terms of the deal, four large U.S. companies, Freeport Sulphur, White Eagle Oil, Panhandle Oil and White Weld & Co., New York, returned Sapphire's entire $101,000 investment, gave Sapphire a 25% carried interest in the project and agreed to provide whatever financing should be found necessary.

Further finances were arranged for Sapphire this fall with an underwriting reported on 600,000 shares for $1,799,400. There were 6,623,159 shares outstanding prior to the underwriting with debentures which stood at $1,822,000 at the beginning of the year substantially reduced through conversions for common.

Acquisition of oil reserves totaling about 50 million bbls. was effected Aug. 1, 1954, through purchase of 21,000 acres in Wyoming containing 61 producing oil wells. Consideration for the deal was $5,650,000, payable in cash, stock and deferred oil payments. Oil reserves, following the Wyoming acquisition, were estimated at approximately 58 million bbls.

Interest of others has been secured in development of the company's large productive oil "spread" in Wyoming. An uranium ore occurrence was reported earlier in this state as well.

Amurex Oil Co.

Features of 1955 for Amurex were absorption of Ponder Oils and a change in name to Amurex Oil Co. from the previous Amurex Oil Development Co. designation.

A total of 650,000 class A shares were issued for Ponder assets which included about 800 bbls. daily of production and an income of about $800,000 a year after royalties. Ponder agreed to pay off all its outstanding debts and notes prior to the transaction.

Pro forma balance sheet as at April 30, 1955, after giving effect to the above acquisition, showed current assets of $2,024,369 (including $1,488,637 cash) as against current liabilities of $261,128 including bank loan of $31,000.

Amurex had a $853,470 net loss in the year ended Sept. 30, 1954, against $740,983 a year earlier.

Home Oil Co.

Next week shareholders of Home Oil and Federated Petroleums pass on Home's proposal to merge the companies which have been closely associated in development of Western Canada oil and gas resources.

Home plans to change its capital into class A shares and class B shares with holders given the right to exchange stock for A shares on a share-for-share basis subject to a pro rata allotment if Home and Federated shareholders should elect to take over 1.5 million A shares. A shares are entitled to a preferential dividend of 25c over B shares and participate equally in earnings after the B. voting stock also receives 25 cents a share in dividends.

Home has at present 2,357,633 shares outstanding.

A Home prospectus shows oil and gas income of $2,379,847 for the six months ended June 30, 1955 ($4,653,317 for all 1954). Earnings after about $1.3 millions of write-offs in the first half of 1955 amounted to $261,073 or 11.1 cents a share.

Oil reserves of Home at June 30, 1955, were estimated at 19,139,000 bbls. of crude, 440,000 bbls. of natural gasoline and 58 billion cu. ft. of gas. The company has interests in 198 oil wells representing 116.6 net wells.

The number of authorized and outstanding shares of Home—assuming the amalgamation goes through—depends on what shareholders elect. Authorized capital could be 4,250,000 class A and 3,750,000 class B assuming Home shareholders are allocated 750,000 class A shares. If shareholders of the two companies take 1.5 million class A shares there would also be 2,293,231 B shares issued.

United Oils has announced its intention of taking class B shares to retain its voting position.

Bailey Selburn

A substantial increase in the number of productive wells in which interests are held is reported by Bailey Selburn Oil & Gas for the current year.

In the eight months to Aug. 31, 1955, the company had shared in eight oil wells at Joffre, 62 at Pembina and three at Camrose, making a net increase in wholly owned wells of 9.80. The total number of wells at Joffre amounts to 20, at Pembina to 91 and three at Camrose. The total equivalent of wholly owned wells was 40.09 at Aug. 31, 1955.

Baysel participated in four gas discoveries during the period in the Pine Coulee, Bindloss, East Calgary and Dunn areas of Alberta. In addition the company added to proven reserves by step-out wells at Twelve Mile Creek and Namepi Creek.

Proven gas reserves at Aug. 31, 1955, were estimated at 150 billion cu. ft., an increase of 46 billion cu. ft. from the beginning of the year. Much of the company's gas interests are in the Alberta designated gas export area.

Production revenue for 1954 had amounted to $1,500,744 with some additional revenue received from contract drilling operations. After write-offs of over $1 million there was a net loss of $182,894. The company had working capital of $2,226,213 at the beginning of 1955.

Federated Pete.

Next Tuesday shareholders of Federated Petroleums will be asked to approve a merger with Home Oil Co. The amalgamation proposal with Home calls for the issue of one class A or class B share of a recapitalized Home for each two Federated shares at present outstanding.

The A shares bear a 25c cumulative dividend and share equally with B shares after 25c a share has also been paid on B stock. B shares carry voting rights and United Oils, a big Federated shareholder, plans to take B stock.

A shares were purposely made more attractive than B shares from a dividend standpoint to encourage both Home and Federated shareholders to elect to receive A shares. However, the reorganized Home company does not plan to issues more than 1.5 million class A shares.

In the six months ended June 30, 1955, Federated had an income from oil and gas production of $738,939 ($1,350,572 for all 1954) and a net profit of $238,093 or 6.6 cents a share against $58,105 for all 1954.

Production for the combined companies for the same period would have been $3,118,786 with a net profit of $499,166 equal to 25 cents a share on A stock and 5.4 cents a share on B stock.

Federated present shares are reported to have had a book value of $4.18 on June 30, 1955, as against $7.44 for Home.

Reserves of Federated at June 30 were estimated at 2,214,000 bbls. of oil, 799,000 bbls. of natural gasoline and 91.3 billion cu. ft. of gas. Home's reserves were 19,139,000 bbls. of oil, 440,000 bbls. of natural gasoline and 58 billion cu. ft. of gas.

Banff Oil

A sharply increased oil production has been reported by Banff Oil in 1955 so that this year's results may be better than in 1954 when there was a $532,512 loss after write-offs of well over $500,000.

Net oil production in the first half of 1955 amounted to 48,251 bbls., an increase from 37,979 bbls. for the first half of 1954. Net oil production for the last half of 1955 was forecast at approximately 400 bbls. per day.

Working capital at June 30, 1955, amounted to $473,823, showing a slight decrease from the beginning of the year. Gross and net landholdings at June 30, amounted to 2,339,353 and 661,187 acres respectively.

Farmout agreements have been entered into with large companies such as Oilwell Operators and Bailey Selburn whereby certain wells will be drilled on the company's holdings for acreage interests. A large gas strike is reported in a Peace River well and acreage block in which the company is interested.

National Pete.

Will commercial production of oil be secured by National Petroleums on the 57,825-acre "spread" farmed out to Sinclair Canada Oil Co. in the Blood Indian Reserve area of Alberta? This is a question of paramount interest to National Pete.

Following an original oil discovery by National 7½ miles to the east-northeast, Sinclair has completed a well to about 7,000 ft. and was recently carrying on testing the Lower Blairmore sand which showed a "kick" when a log test was run. This is the first test well drilled by Sinclair under the farmout agreement.

At last report National Petroleums had interests in 13 oil wells in the Turner Valley, Del Bonita-Spring Coulee and Woolford areas of Alberta and several potential gas wells.

In the year ended Nov. 30, 1954, the company had total net revenue of $181,427 which was exceeded by operating expenses of $211,674. After write-offs and allowance for a $54,905 profit on sale of assets, net loss was $66,139. Working capital was $774,675 at Nov. 30, 1954, with substantial additional funds realized through sale of shares since capitalization was raised from four million to five million shares last July. A total of $525,000 has been realized from 250,000 shares and 4,098,872 shares are reported outstanding.

Central Explorers

Central Explorers had an operating profit of $20,417 for the year ended May 31, 1955, but after write-offs of nearly $443,617 there was a loss of $434,894.

Sale of $350,000 of 5% convertible debentures late in 1955 served to improve the company's financial position along with the sale of investments at a profit of over $65,000.

Pro forma balance sheet at May 31, 1955 — giving effect to the above transactions — showed $369,623 current assets as against $36,347 current liabilities.

Oil reserves were estimated on July 31, 1955, at 675,800 bbls. net to the company which was exclusive of reserves held by the U.S. subsidiary which were estimated at 20,000 to 30,000 bbls. The company has also an interest in flare gas.

An interest is held in 278,160 acres of undeveloped mineral lands in Alberta and Saskatchewan, net interest amounting to 94,756 acres.

Acreage is also held in Texas and Illinois. Unexplored acreage interests include ground in the Wapiti-Smoky River (Sturgeon Lake) area.

Alberta Pacific

A highlight of 1955 operations of Alberta Pacific Consolidated Oil was the absorption of Sunset Oils on a share per share exchange basis. Merger of the two companies was completed because of similar policies, joint operations and the expectation of considerable economies.

After amalgamation with Sunset, Alberta Pacific interests amounted to 220,573 acres in Alberta, British Columbia and Manitoba with negotiations carried on for further acreage subsequently.

Well interests include ownership of three wells at Turner Valley plus an interest in another producer; a two-thirds interest in four D3 wells at Leduc; varying interests in producing wells in the Rimbey and Joseph Lake fields. Royalty interests are also held in other fields.

Pro forma balance sheet as of March 31, 1955, giving effect to the Sunset merger showed net working capital of $401,572. Moderate operating profits have been realized.

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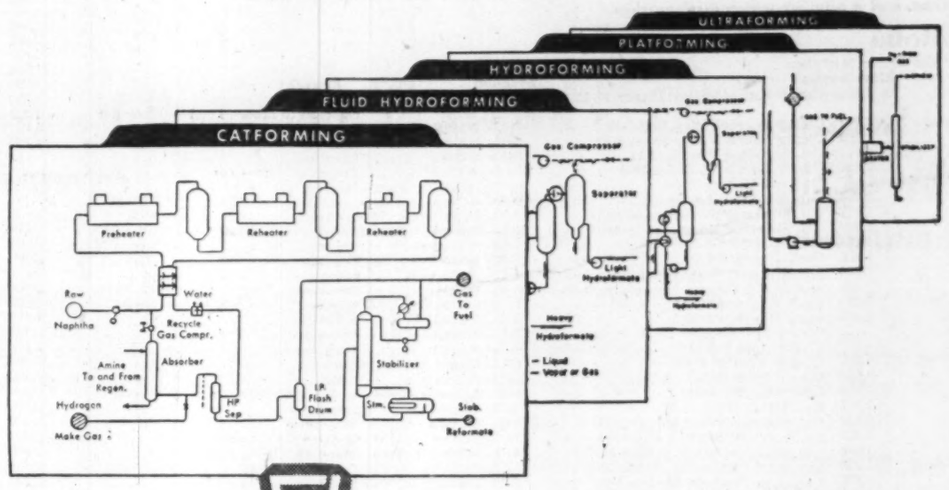

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The area under development by these two companies covers more than thirty square miles, the arrangement being that Canadian Oil and Gas Reserves Ltd. will participate to the extent of 20% through the entire program — and, in addition, will participate in any new acreage acquired by Great Sweet Grass.

In addition to the foregoing, Canadian Oil and Gas Reserves Ltd. carries important participating interests in 43 oil wells in the State of Oklahoma and in three producing oil wells in Alberta — plus an 8% net interest in three capped gas wells which will shortly be productive through West Coast Transmission pipe-line.

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Here's Record of Current Oil and Gas Drilling

Detailed Progress Reports On 600 Exploration Wells

Some 600 wells are being drilled, are temporarily halted, or have just been completed as successes or abandoned as failures in Western Canada. Here are the facts about each, who is the main participant, where it is, the progress.

Well name ordinarily consists of the abbreviated company names of the one or two most important participants, the district, and a number which distinguishes the well from others which the same "team" of oil companies is drilling in the same area.

Location of the well is gi en by the numbers of the legal subdivision section township and range west of which meridian of longitude. Other designaton, for instance, Mississippian, indicates what geological horizon the oil was found in.

Manitoba

West of the Prime Meridian:

Area	Elevation	Well	Location	Depth	Remarks
Lyleton	1,472	Cleary Souris Valley Tingey 11-13	11-13- 1-28w1	333	Drilling; well name changed to Moore 11-13
Goodlands	1,630	Cleary Souris Valley Bell 8-15	8-15- 2-24w1	.....	Location
Elva	1,518	Cleary Souris Valley Innes 4-17	4-17- 3-27w1	.....	Location
Pierson	....	Cal. Standard Pierson 9-11	9-11- 3-29w1	.....	Location
Melita (W.)	1,534	Cleary Souris Vl. Jones 16-5	16- 5- 4-27w1	.....	Location
Underhill	1,430	Imperial Underhill 4-8	4- 8- 5-22w1	2,482	Drilling
Routledge	1,428	Cal. Standard Routledge 9-28	9-28- 9-25w1	.....	Location
"	1,427	Cal. Standard Routledge 10-28	10-28- 9-25w1	?	Drilling
"	1,427	Cal. Standard Routledge 16-28	16-28- 9-25w1	2,095	Lodge Pole Oilwell
"	1,425	Shell Hagyard 1-33	1-33- 9-25w1	.....	Location
"	1,428	Shell Hagyard 2-33	2-33- 9-25w1	2,120	Drilling
"	1,424	McCarty & Coleman Routledge 4-33	4-33- 9-25w1	.....	Location
"	1,423	McCarty & Coleman Routledge 5-33	5-33- 9-25w1	.....	Location
"	1,421	Shell Hagyard 7-33	7-33- 9-25w1	.....	Location
"	1,421	Shell Hagyard 8-33	8-33- 9-25w1	.....	Location
Cromer	....	Cleary East Cromer 14-11	14-11- 9-28w1	.....	Location
"	....	Cleary Jopko 4-13	4-13- 9-28w1	.....	Location
"	1,609	Cleary Boutler 6-15	6-15- 9-28w1	.....	Location
"	1,600	Cleary Jopko 5-24	5-24- 9-28w1	.....	Location
"	1,594	Cleary Jopko 6-24	6-24- 9-28w1	2,455	Lodge Pole Oilwell
Daly	1,551	B.A. Union Glintz 1-28	1-28- 9-28w1	.....	Location
Butler	1,772	Cal. Standard West Butler 1-31	1-30- 9-29w1	3,031	Swabbing
Virden	1,427	Ca. Standard South Virden 7-7	7- 7-10-25w1	2,130	Lodge Pole Oilwell
"	1,428	Cal. Standard South Virden 14-7	14- 7-10-25w1	2,130	Standing Cemented
Virden-Rose	1,426	McCarty & Coleman Nichol 15-2	15- 2-10-26w1	1,925	Drilling
"	1,429	Canadian Prospect Virden 1-13	1-13-10-26w1	2,069	Lodge Pole Oilwell
"	1,437	Canadian Prospect Virden 5-13	5-13-10-26w1	.....	Location
"	1,431	Can. Superior Williams 3-14	3-14-10-26w1	.....	Location
"	1,433	Can. Superior Williams 4-14	4-14-10-26w1	1,943	Drilling
"	1,433	Cal. Standard Virden 9-14	9-14-10-26w1	.....	Location
"	1,430	Can. Devonian S.W.D. 1	12-23-10-26w1	.....	Location
Virden-Rose.	....	Can. Prospect Roselea 8-30	8-30-10-25w1	330	Drilling
"	....	Can. Prospect Roselea 9-30	9-30-10-25w1	.....	Location
"	1,457	Can. Superior Hauke S.W.D. 1-35	1-35-10-26w1	1,165	Drilling
Virden	1,461	Imperial Virden 10-8m	10- 8-10-26w1	.....	Location
Virden-Rose.	....	Can. Sup. Williams 5-14	5-14-10-26w1	2,069	Lodge Pole Oilwell
Virden	....	Can. Prospect Garlick 2-24	2-24-10-26w1	.....	Location
"	....	Can. Prospect Garlick 7-24	7-24-10-26w1	.....	Location
Daly	....	Basco Jones 9-12	9-12-10-28w1	2,311	Completing
N. Virden-Rose.	1,540	Shell Moir South 9-21	9-21-10-26w1	.....	Location
"	1,487	Sun W. Milne 5-14	5-14-11-26w1	2,051	Repairing
"	1,490	Cal. Standard Scallion 16-15	16-15-11-26w1	2,120	Lodge Pole Oilwell
"	....	Shell Moir South 10-21	10-21-11-26w1	.....	Location
"	1,503	Shell Moir South 11-21	11-21-11-26w1	610	Preparing to run casing
"	....	Shell Moir South 12-21	12-21-11-26w1	.....	Location
"	....	Shell Moir South 13-21	13-21-11-26w1	.....	Location
"	....	Shell Moir South 14-21	14-21-11-26w1	.....	Location
"	....	Shell Moir South 15-21	15-21-11-26w1	.....	Location
"	1,503	Shell Moir South 16-21	16-21-11-26w1	.....	Location
"	1,487	Can. Sup. Dome et al Tapp 8-22	8-22-11-26w1	.....	Location
"	1,489	Sun W.C. Tapp 1-27	1-27-11-26w1	2,004	Lodge Pole Oilwell
"	1,493	Sun W.C. Tapp 8-27	8-27-11-26w1	2,005	Standing Cemented
"	1,511	B.A. Union Tapp 13-28	13-28-11-26w1	.....	Location
"	1,513	B.A. Union Tapp 14-28	14-28-11-26w1	2,055	Standing Cemented
"	1,505	B.A. Union Milne 4-34	4-34-11-26w1	.....	Location

Saskatchewan

West of the Prime Meridian:

Carnduff	1,726	Imperial Silverton 3-18	3-18- 3-32w1	630	Drilling
Ingoldsby	1,745	Sun C. Mintz 14-7	14- 7- 4-31w1	3,636	Mission Canyon Oilwell
"	1,736	Imperial Ingoldsby 4-17	4-17- 4-31w1	.....	Location
"	1,739	Mobil Wood. South. Ingoldsby 18-2	2-18- 4-31w1	3,800	Mission Canyon Oilwell
Antler River	....	Rio Palmer-Crystal Ritchie 12-5	12- 5- 4-33w1	3,705	Drilling
Rosebank	1,788	Imperial Rosebank 8-32	8-32- 4-32w1	3,705	Drilling
Hastings	1,820	Imperial Hastings 12-27	12-27- 4-33w1	.....	Location
"	1,825	Imperial Hastings 6-35m	6-35- 4-33w1	.....	Location
"	1,826	Imperial Hastings 14-35m	14-35- 4-33w1	3,805	Drilling
"	1,813	Thomas W. Leach B.C.M. 4-36	4-36- 4-33w1	625	Drilling
"	1,816	Thomas W. Leach B.C.M. 5-36	5-36- 4-33w1	3,754	Mission Canyon Oilwell
Nottingham	1,802	Imperial Nottingham 10-3m	10- 3- 5-32w1	.....	Location
"	1,815	Mobil Wood. South. Nottingham 10-12	12-10- 5-32w1	3,730	Mission Canyon Oilwell
Alida	1,837	Imperial Alida 16-3	16- 3- 5-33w1	612	Drilling
"	1,881	Imperial Alida 4-27m	4-27- 5-33w1	.....	Location
"	1,912	Socony Wood. South. Alida 34-10	10-34- 5-33w1	.....	Location
Lightning Cr.	....	Imperial Lightning Creek 16-7	16- 7- 6-32w1	4,056	Drilling
Alida	1,921	Imperial Edenvale 4-1m	4- 1- 6-33w1	.....	Location
Wauchope	2,062	McCarty & Coleman Knight 6-26	6-26- 7-34w1	3,896	Completing

West of the Second Meridian:

Paisley Brook	....	Mobil Sohio N. Paisley Brook 15-14	14-15- 2-23w2	5,891	Drilling
Steelman	1,930	Imperial Steelman 7-7m	7- 7- 4- 5w2	.....	Location
"	1,926	Imperial Steelman 15-7m	15- 7- 4- 5w2	.....	Location
"	1,926	Gulf Auburn 13	13-10- 4- 5w2	610	Drilling
"	1,926	Gulf Leptich 1	1-16- 4- 5w2	4,756	Logging
"	1,931	Imperial Steelman 7-17m	7-17- 4- 5w2	625	Drilling
"	1,931	Imperial Steelman 9-17m	9-17- 4- 5w2	.....	Rigging
"	1,933	Sun U. Glasser 1-19	1-19- 4- 5w2	4,704	Coring
"	1,937	Imperial Steelman 3-26	3-26- 4- 5w2	?	Drilling
"	1,929	Gulf Matz 9	9-12- 4- 6w2	4,826	Completing
Kingsford	1,940	Shell Kingsford A-1-22	1-22- 4- 7w2	.....	Location
"	1,929	Oregan Dillman 3-23	3-23- 4- 7w2	4,933	Drilling
Lampman	1,933	Imperial Lampman 9-15m	9-15- 4- 7w2	.....	Location
Kingsford	1,940	B.A.-Union Kingsford 15-23	15-23- 4- 7w2	4,044	Drilling
Lampman	1,929	Imperial Can. Sup. Lampman 8-25	8-25- 5- 6w2	.....	Location cancelled
Midale	1,979	Shell Midale A-13-18	13-18- 6-10w2	4,655	Charles Oilwell
"	1,983	Husky Midale 7-19	7-19- 6-10w2	?	Drilling
"	1,968	Shell Farmer's Mutual 11-23	11-23- 6-10w2	.....	Location
"	1,985	Shell Midale B-5-30	5-30- 6-10w2	.....	Location
"	1,980	Husky Midale 7-13	7-13- 6-11w2	.....	Location
"	1,986	Husky Midale 5-25	5-25- 6-11w2	.....	Location
"	1,982	Dome North Amer. Midale 13-25	13-25- 6-11w2	4,600	Logging
"	2,002	Can. Superior Winter 1-26	1-26- 6-11w2	877	Drilling
"	1,986	Can. Superior Winter 7-26	7-26- 6-11w2	.....	Location
"	1,993	Hudson's Bay Midale 11-26	11-26- 6-11w2	4,650	Charles Oilwell
"	1,992	Dome-Cox-Imp-West Midale 15-27	15-27- 6-11w2	.....	Location
Halbrite	1,870	Shell West Halbrite A-13-10	13-18- 6-12w2	.....	Location
Grassdale	1,937	Mobil Cent. Led. Del Rio S.G. 32-10	10-32- 6-15w2	5,071	Drilling
Lang	1,887	Mobil-Sohio North Lang 11-1	1-11-12-18w2	4,484	Drilling
Parkerview	2,196	Tide Water Flint Parkerview Cr. 1	16-23-27-10w2	4,220	Abandoned

West of the Third Meridian:

Scotsguard	....	Mobil Wood. South. Scotsguard 22-14	14-22-10-16w3	4,554	Abandoned
Vanguard	2,473	Gulf Wills 2*	2- 5-12- 9w3	5,317	Drilling
Gull Lake	2,585	Feldman Gull Lake 26-16A	16-26-13-19w3	.....	Location
Bitter Lake	2,342	Amurex Canso. Nat. Gas Bitter Lk. 3-7	7-17-13-28w3	1,154	Drilling
"	2,431	Amurex Canso Nat. Gas Bitter Lk. 2-10	10-16-13-29w3	.....	Location
"	2,370	Amurex Canso Nat. Gas Bitter Lk. 4-11	11-25-13-29w3	1,593	Gaswell
Success	2,406	Mobil Wood. South. S. Success 27-16B	16-27-16-16w3	.....	Location
Cantuar	2,422	Amurex Cantuar 9-4B	9- 4-16-17w3	.....	Location
"	2,423	Amurex Cantuar 16-4B	16- 4-16-17w3	3,262	Abandoned
"	2,417	Soc. Wood. South. Cantuar 9-15B	15- 9-16-17w3	.....	Location
"	2,405	Whitehall Cantuar 3-32	3-22-16-17w3	3,198	Cantuar Oilwell
"	2,402	Whitehall Cantuar 6-22	6-22-16-17w3	75	Drilling surface hole
"	2,411	Whitehall Cantuar 16-22	16-22-16-17w3	.....	Location
Success	2,347	Feldman Success 16-1B	1-16-17-16w3	.....	Location
"	2,350	Feldman Success 16-4B	4-16-17-16w3	?	No report
"	2,341	Feldman Success 16-5B	5-16-17-16w3	.....	Location
"	2,345	Feldman Success 16-6B	6-16-17-16w3	.....	Location
"	2,350	Feldman Success 16-7B	7-16-17-16w3	.....	Location
Battrum	2,316	Mobil Wood. South. Battrum 22-4B	4-22-18-17w3	3,014	Run'g Product'n Casing
"	2,345	Mobil Wood. South. Battrum 22-14B	14-22-18-17w3	.....	Location
"	2,265	Sohio Battrum 6B29	6-29-18-17w3	2,912	Abandoned
"	2,275	Sohio Battrum 7B29	7-29-18-17w3	2,933	Roseray Oilwell
"	2,260	Sohio Battrum 13B29	13-29-18-17w3	.....	Location
"	2,241	Mobil Wood. South. Battrum 32-3B	3-32-18-17w3	.....	Location
"	2,247	Socony-Wood. South. Battrum 32-8B	8-32-18-17w3	.....	Location
"	2,379	Socony-Wood. South. Battrum 33-8B	8-33-18-17w3	.....	Location
"	2,339	Mobil Wood. South. Battrum 33-10B	10-33-18-17w3	.....	Location
Burstall	2,380	Inter City Burstall 2	1- 1-21-19w3	3,065	Waiting on orders
Smiley	2,315	Husky-Phillips Dewar 15-35	15-35-30-26w3	2,459	Abandoned
Eureka	2,256	Canso Oil Prod. Eureka 15-1	15- 1-31-23w3	.....	Location
Coleville	2,284	Royalite-Gen. Amer. Coleville 25-20	8-20-31-23w3	.....	Location
"	2,295	Royalite-Gen. Amer. Coleville 34-20	9-20-31-23w3	.....	Location
"	2,295	Royalite-Gen. Amer. Coleville 41-20	9-20-31-23w3	.....	Location
"	2,290	Bass Coleville 56-21	13-21-31-23w3	1,185	Waiting on repairs
"	2,287	Royalite-Gen. Amer. Coleville 6-28	3-28-31-23w3	.....	Location
"	2,289	Royalite-Gen. Amer. Coleville 13-28	3-28-31-23w3	.....	Location
"	2,305	Royalite-Gen. Amer. Coleville 38-32	11-32-31-23w3	2,752	Banff Sand Oilwell
"	2,313	Royalite-Gen. Amer. Coleville 40-32	12-32-31-23w3	.....	Location
"	2,336	Royalite-Gen. Amer. Coleville 11-24	2-24-31-24w3	.....	Location
"	2,349	Royalite-Gen. Amer. Coleville 31-24	5-24-31-24w3	.....	Location
Smiley	2,286	Canso Oil Prod. Smiley 14-4	14- 4-31-25w3	.....	Location
"	2,313	Canso Oil Prod. Smiley 13-10	13-10-31-25w3	2,408	Viking Oilwell
"	2,297	Canso Oil Prod. Hilldale 15-35	15-35-31-27w3	.....	Location
Lloydminster	2,083	Nuco & Associates 1C-21	1-21-48-27w3	.....	Location
"	2,081	Nuco & Associates 7A-21	7-21-48-27w3	1,925	Sparky Oilwell
"	2,074	Fargo Millmak 10-21D	10-21-48-27w3	.....	Location
"	2,089	Lloydminster North Amwerican 1	16-28-48-27w3	1,689	Sparky Oilwell
"	....	Barlow Development Lloyd. 5-38	3- 5-49-27w3	.....	Location.

(Continued on page 68)

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New Concord

Operating control of New Concord Development Corp. is now held by Okalta Oils as a result of that company's merger with Jasper Oil Corp. Jasper previously had held 909,747 New Concord shares of 2,926,363 shares outstanding.

Net revenue in 1954 amounted to $343,926 but there was a net loss of $40,355 after all charges which was transferred to development account.

Exploratory or wildcat drilling has been kept at a low level recently. Production interests are held in Redwater, Leduc, Joarcam, North Dakota, Stettler and Pembina oil areas.

Balance sheet as at Dec. 31, 1954, showed $775,101 current assets including $650,000 cash as against $211,604 current liabilities.

New Davies

Through a small participation in Oilwell Operators, New Davies Petroleums has a growing interest in production in Alberta including Erskine and Pembina fields. A 5% interest is held in a substantial gas picture built up in the Bindloss area, Alberta.

The company owns approximately one fifth of the issue stock of Vulcan Oils and approximately one third of the issued shares of Newclare Oils.

Annual report of the company for the year ended June 30, 1955, is expected shortly.

Central Leduc

In partnership with Del Rio Producers, Central Leduc Oils has been extending its oil production interests in the new Saskatchewan Ralph oil area discovered by the two companies in 1954. Nine successful wells have been reported in 1955 and stepout drilling has been done as well.

A 25% interest is held in Minerals Ltd. with large holdings in Southeastern Saskatchewan. Numerous productive wells have been drilled on this acreage and "several hundred" are expected.

Central Leduc also has a 2½% gross royalty interest in the 15,040-acre block in the Cynthia area northwest of the Pembina field where Stanolind Oil & Gas found oil in the Mississippian in 1954.

More active drilling in 1955 probably benefitted Central Leduc's two rig drilling subsidiary.

New acreage acquisitions include a 25% interest in 100,000 acres in the Goffitt Creek area in Townships 94 to 96 and 11,000 acres, Chinchaga River area, Township 98, both in Northwestern Alberta.

There was a loss of $63,911 in the 1953-54 fiscal year with working capital reported at $685,674.

Western Decalta

Western Decalta Petroleum is the new name for Canadian Decalta following the Nov. 22 approval of shareholders to a capital reorganization. Under the reorganization plan, shareholders will receive one new share for each two old and capitalization will be increased to 10 million shares of $1 par value.

This reorganization will clear the way for new financing.

Income in the year ended April 30, 1955, was $283,527 but the company is still regarded as in the development stage and capitalizes expenditures less income.

Interests ranging from 14.3% to 59.7% were held in 23 producing Alberta oil wells last April and the company owns two gas wells supplying the town of Athabasca. Royalty interests are held in the Joffre, Rimbey, South Sturgeon Lake fields in Alberta.

Working capital was about $80,000 last April.

Del Rio Prod.

There has been a considerable step-up of the producing interests of Del Rio Producers in 1955. Nine new wells have been completed in the new Ralph field found by Del Rio and Central Leduc in 1954, a 25% interest is held in Minerals Ltd. located in Southeast Saskatchewan where over a dozen wells have been brought in and a 2½% gross royalty is held on an acreage block covering the Stanolind Mississippian oil discovery in the Cynthia area of Alberta.

There was a $46,311 loss in the 1953-54 fiscal year. The company has only its common issue of 3,657,000 shares outstanding but a bond issue has been proposed.

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Record of the Oil Companies

Cdn. Homestead

Production of crude oil by Canadian Homestead Oils amounted to 159,179 bbls. in the year ended May 31, 1955, an increase of 16,715 bbls. over the previous year. Revenue from production, however, was reduced due to lower crude oil prices and stricter market pro-ration.

Net recoverable drilled off reserves are estimated at 2,166,000 bbls. and net probable reserves are estimated at 4,207,000 bbls. Net recoverable gas reserves have been estimated at 16.48 billion cu. ft.

Interests were held in 18 productive wells drilled in the latest fiscal year in the Hamilton Lake area where the company anticipates larger marketings.

Two wells drilled in the Duchess area proved successful gas wells. Substantial acreage blocks have been farmed out to two major companies which have agreed to carry out exploration programs.

The sum of $500,000 was realized in the latter part of this year through sale of 250,000 shares to E. H. Pooler & Co. and Rowles, Winston & Co.

Cons. West Pete.

Gas reserves of Consolidated West Petroleum are believed to have almost tripled in 1955 while producing potential was doubled through the drilling of seven additional wells. Further offshore drilling showed gas extending for at least four miles out in the lake and indicated a large additional productive acreage for drilling.

All 1955 wells are stated to have found gas in commercial quantity and to have a combined open flow potential of well over 20 million cu. ft. per day.

A new contract has been signed with Union Gas Co. which provides for increased sales of gas from year to year dependent on gas reserves, President E. F. Coste reports. The contract became effective Oct. 1, 1955.

Earnings of $153,288 before write-offs were reported in 1954, all of which was transferred to amortization and development write-offs. Working capital was $63,754 at the beginning of this year.

Cdn. Anaconda

Canadian Anaconda Oils is a smaller company which got a fair stake in the gas business this year. The company has a small carried interest in Savanna Creek gas discovery which had a combined production rate in excess of 51 million cu. ft. daily in the Rundle; follow-up drilling has been done.

Production revenue in the year ended May 31, 1955, was $64,811. Through sale of 800,000 shares for $130,000, the company has been able to pay off a note to Leader Petroleums and to participate in the Savanna drilling program. Working capital had been $92,482 at May 31, 1955.

Albermont Pete.

A favorable development for Albermont Petroleums has been the bringing in of a dozen large oil wells on a 100,000-acre reservation in the Sturgeon Lake area in which the company has a 2% carried interest. Estimates of reserves underlying the tract range from 50 million to 80 million barrels and six drill rigs are at work.

At the beginning of 1954, Albermont's oil reserves had been estimated at 2,479,994 bbls. of which 1,357,030 bbls. were in Alberta with remainder in the U. S. Further reserves were added subsequently in the Sturgeon Lake and Joffre fields in Alberta and in Saskatchewan.

A net profit of $76,085 was realized by Albermont in 1954 before write-offs as against a net loss after write-offs of $443,777 the year before.

In accordance with the company's policy of capitalizing expenditures less income, no provisions were made in 1954 for depreciation, depletion and amortization and such provisions as were made in prior years, totaling $208,799, were reversed.

Working capital amounted to $.86,086 at Dec. 31, 1954, against an excess of current liabilities over current assets of $779,849 a year earlier.

Anglo American

Substantial new financing was completed by Anglo American Exploration in the early part of 1955.

There were 195,250 shares sold to shareholders at $14.50 a share, $1.5 millions of serial bonds was sold (with a further $2 millions subscribed) and $4.2 millions of 5½% notes were issued, due 1975.

This financing meant a great improvement in the company's liquid position. On Nov 30, 1954, there had been an excess of current liabilities over current assets of $1,997,279 but a pro forma statement as of the same date showed net working capital of $2,197,855, and a special bank loan of $4 millions, not included in current liabilities, was also shown as retired. At the beginning of 1955, working capital was $1,933,274, again on a pro forma basis.

Among new projects undertaken by the company was renovation of its Hartell refinery and an increase in throughput to 4,500 bbls. per day at a cost of $750,000. The company has also been renovating its head office building at an estimated cost of $1 million.

Sales in 1954 amounted to $10,205,225 with net earnings before write-off and interest charges of $652,075. There was a net loss of $214,195 after all charges.

Shares were changed from no par to a $4.75 par during the year.

Canadian Atl.

With substantial interests in gas, Canadian Atlantic Oil Co. has been encouraged recently by the progress made in production plans for Westcoast Transmission.

Earlier it was stated that the company would participate in a program of at least 70 development wells in Northern Alberta and British Columbia in an 18-month period to meet Westcoast's requirements and also in development of Rocky Mountain House acreage found productive by Southern Production under its big farmout deal.

Canadian Atlantic's gas reserves are understood to amount to a trillion cu. ft.

At Feb. 28, 1955, Canadian Atlantic had an interest in 34 capped and five producing gas wells and in 80 producing oil wells.

Improved results were reported in the latest fiscal year with a net profit of $118,586 after all charges in the year ended Feb. 28, 1955, as against a $57,037 loss a year earlier. Production revenue amounted to $1,062,184 for the year. Working capital at Feb. 28, 1955, amounted to $1,937,362 taking marketable investments at book value which was considerably less than market.

A substantial interest in New Gas Exploration Co. was taken in the latter part of 1955.

Charter Oil Co.

Charter Oil Co. has a large interest in British Columbia where the Pacific Petroleums group has agreed to explore 1,143,333 acres of company permits at no cost to Charter which will retain carried interests ranging from 4½% to 25%.

In Cuba, the Pacific Petroleums group and others have jointly acquired with Charter more than four million acres and are carrying out an exploration and drilling program.

Net oil production was 58,594 bbls. in the year ended July 31, 1954, when a net loss of $262,306 was reported. Working capital amounted to $621,384 at July 31, 1954. Oil reserves at the same date were estimated at 1,300,000 bbls.

The company has only its common issue of about 2.3 million shares issued.

Cdn. Oil & Gas Reserves

Directly and through a wholly owned subsidiary, Canadian Oil & Gas Reserves has interests in five oil and eight gas wells in Alberta and British Columbia and in more than 40 oil producers in Oklahoma. Mining properties include 18 claims in Faraday Twp., Eastern Ontario. Management of the company is under the direction of Great Sweet Grass Oils Ltd.

An eight-well program is planned in conjunction with Great Sweet Grass on 20,000 acres in the St. Lawrence River lowlands in Quebec. Company will have a 20% stake in this project.

Company's share of primary and secondary oil reserves, both proven and probable, is estimated at 6.5 million bbls., and gas reserves at 16 billion cu. ft. Gas interests consist of an 8% share in three wells and 225,000 acres in the Sunrise area of Northeastern British Columbia. The wells are capped awaiting construction of the proposed pipe line to the West Coast.

Cash position was recently enhanced by more than $700,000 through sale of 900,000 treasury shares at 80 cents a share. Capitalization now comprises five million shares, all of which are issued.

Chamberlain

Chamberlain Oil and Gas enjoys some oil production from three owned wells near Edmonton, has a substantial gas reserve in an area which will be among the first to be tapped for the Eastern Canadian market, and has interests in three other exploratory projects, all in Alberta.

The Bindloss-Buffalo project in the Southeastern part of the province claimed the principal outlay of the company during the fiscal year ended Apr. 30, 1955. An additional eight wells put down resulted in seven gas wells, to bring the company's share of proven, semi-proven and probable reserves of natural gas in this area to more than 54 billion cu. ft. Good prospects of a further 75 billion cu. ft. are reported, and prospects for light-gravity oil are also thought to be good. Further drilling is planned, chiefly for gas.

A 10,000-acre reservation held by Chamberlain south of Grande Prairie, Alta., was unitized with a block of about 640,000 acres and company has 1.5% stake in the whole. A venture drilled thereon struck oil and gas shows in the Cardium sand and will be deepened. A 10% stock interest is held in Jerd Petroleums, which is drilling at Sherman Flats, Alta. This is considered to be a very significant test of this area.

In the Clearwater district, 16,650 acres of company leases were farmed out to a major company, with Chamberlain retaining 5% gross royalty. Seismic work is being undertaken in an effort to find a favorable drill site.

Production of oil from company wells totalled 17,912 bbls. in the year ended Apr. 30, 1955, for a return to the company of $36,244 after royalties. Net profit of $17,022 was all transferred to development and promotion costs. Authorized and issued capital is four million shares.

Oil, Gas Bulge Alberta Coffers

Alberta's provincial coffers continue to benefit by the large revenues which pour in from oil and gas rights.

Receipts in the six months ended Sept. 30, 1955, were $52.4 millions, bringing the total for the past 9½ years to a whopping $418.7 millions.

Crown reserve lease sales since 1946 have brought in $156.6 millions from 342,000 acres.

Gas and oil production royalties have contributed $88 millions and revenues from leases, fees and rentals were $71 millions in this period.

Premier Manning recently told the Gordon economic commission that in the next 25 years, 7.8 billion bbls. of oil and 25,000 billion cu. ft. of natural gas would be produced out of estimated reserves of 12 billion bbls. of oil and 60,000 billion cu. ft. of gas.

All of this will mean added revenue for the province.

The province had only $78.3 millions of funded debt outstanding at last report. The Government has not accelerated its normal retirement of debt through call of outstanding debentures. Instead it has used the oil and gas revenues to provide funds for loans to municipalities, schools and hospitals at low interest rates for construction projects.

The Government's stated policy is to divert to capital expenditures and to retirement of public debt incurred for capital expenditures, all revenues derived from oil royalties and the sale of Crown reservations and development leases. Oil and gas rentals, fees, etc., are used to help meet current expenditures.

Cons. Mic Mac

Varying interests are held by Consolidated Mic Mac Oils in more than 50 oil wells in Alberta, equivalent to ownership of approximately 16 wells. Company also has a stake in 867,000 acres in Western Canada, Montana and North Dakota.

In the Sturgeon Lake field of Northwest Alberta, company has 8 2/3% carried interest in a reservation covering 100,000 acres which is being developed at no cost to Mic Mac by Hudson's Bay Oil & Gas and Union Oil of California. So far 12 good light-oil wells have been completed on the northern portion of the tract, and six drilling rigs are continuously at work. Open flow potentials of the holes range up to 4,500 bbls. per day. Reserves underlying the block have been estimated at from 50 million to 80 million bbls. of oil.

Recently the company acquired a 90% interest in 320 acres of proven lands in the Joffre field, Alberta, for a cash bonus of $305,000. A continuous drill program is under way in an effort to get all eight well sites into production. When completed they should add about $200,000 to Mic Mac's annual revenue and approximately one million bbls. to its reserves, company reports.

In the gas export area of Northeastern British Columbia, a 36,030-acre permit has been obtained. Company retained a 50% interest and may farm out the block to a major company for exploration. A 20% participation has also been taken in a project to develop 50,000 acres in the oil sands of Northern Alberta.

Company is a shareholder in a pipeline under construction, which will transport crude oil from the Sturgeon Lake field to the Trans Mountain pipeline near Edmonton. The line is scheduled for completion before the close of this year.

Oil reserves were estimated early in 1955 to be 2.85 million bbls. light crude oil on flow and 12 million proven and semi-proven. These estimates do not include the Joffre reserves.

Gross income for the fiscal year ended Feb. 28, 1955, was $280,497. Net profit of $82,474 was all applied toward development costs.

PLACER DEVELOPMENT LTD. has unanimously passed resolutions that 1,000,000 existing shares of $1 per share will be converted into no par value shares, and then sub-divided into new shares at the rate of three new for each old share held. The effective date of conversion and split of shares has been set at Feb. 15, 1956

GENERAL DYNAMICS CORP. has issued 3,183 common shares toward the exercise of options. There are 5,009,667 common shares currently outstanding.

CROWN ZELLERBACH CORP. his issued 1,650 shares under the company's selected employees stock option plan. There are 11,074,966 shares currently outstanding.

ROYALITE

ROYALITE

Royalite Oil Company, Limited, is a fully-integrated, independent Canadian oil company, engaged in exploration, production, pipelining, distributing, refining and marketing throughout Western Canada.

A steadily-expanding organization, Royalite owes its solid growth to a careful but aggressive policy of marketing high-grade products through selected distributors and dealers.

With years of experience, Royalite is moving forward to a position of leadership in the oil industry in Western Canada.

ROYALITE OIL COMPANY, LIMITED

239 SIXTH AVENUE WEST, CALGARY, ALBERTA

Wilrich Petroleums

LIMITED owns or controls approximately 1,356,000 shares in EXCELSIOR REFINERIES LIMITED . . . or about 50% of the company's presently issued capital. Excelsior in turn owns interests varying from 25% to 100% (subject to royalties not exceeding 12%) in 61 producing heavy crude oil wells, of which it is the operating company.

EXCELSIOR REFINERIES also holds over 13,500 acres of proven and potential oil lands in the Lloydminster oil and gas fields . . . with its recoverable reserves at last report estimated at 5,229,439 barrels.

To keep pace with increasing area production, Excelsior Refineries is increasing refining capacity to handle 4000 barrels of oil daily.

Excelsior Refineries carries a 93¾% interest in X-L REFINERIES LIMITED . . . and will hold a minimum interest of 70% in the latter company . . . even when all of its shares are issued.

The new $2 million Peace River, B.C., refinery of X-L Refineries located at Dawson Creek is scheduled to go "on stream" before the end of the present year.

This new refinery—whose products are expected to have a ready market because of its proximity to the Alaska Highway—is designed to produce high quality crudes of the Peace River country and will serve markets that have already been developed by the parent company, Excelsior Refineries.

Output will embrace all classes of petroleum products including high octane gasoline, motor fuels, diesel, distillate, jet fuels, furnace fuel oil and bunker fuel.

WILRICH PETROLEUMS — through its shareholdings in Excelsior Refineries Limited—will participate substantially in the indicated profits for this new X-L refinery that is almost ready to start operations.

In a report issued earlier this year, Koch Engineering Company Inc., Consulting and Contracting Engineers of Wichita, Kansas, estimate that X-L Refineries should earn annually (after income taxes) a net profit of $524,842 when operating at full capacity.

The parent organization—Wilrich Petroleums Limited—holds varying interests in about 60 oil wells and 5 gas wells in Western Canada and in Montana; and also carries extensive leases to be developed.

WILRICH PETROLEUMS LIMITED has formed a mining division in recognition of the fact that rare metals are indicated to play an important role in the economies of Canada and the United States.

As a result, Wilrich Petroleums has acquired an important uranium prospect in the Bancroft area of Ontario; in addition to a 1000 acre claim group in the general area where QUEBEC LITHIUM CORPORATION is starting production this month in the LaCorne-LaMotte area of Quebec—to add lithium to the long list of natural resources being produced in Canada.

WILRICH PETROLEUMS
LIMITED

Suite 1204 - 67 Yonge Street, Toronto 1, Ont.

NATURAL GAS PROGRESS
ON THE
SASKATCHEWAN PRAIRIES

In 1952 the Saskatchewan Power Corporation entered the Natural Gas Field, serving the towns of Kindersley and Brock. In 1953 a 100-mile pipeline was built to Saskatoon, serving Rosetown and Delisle en route. In 1954 the Coleville and Brock Gas Fields were tied together with a 30-mile-long gas transmission line, and gas service was extended to a number of other communities along the original pipeline. Work has been completed on a pipeline from Coleville to Saskatoon via Biggar to serve as a loop for the original line. A new pipeline was constructed during 1955 from Saskatoon to Prince Albert — approximately 110 miles — to serve that northern city.

Very recently the Saskatchewan Power Corporation announced its intention to take natural gas to Swift Current, since that time a 20 mile pipeline from the Success Gas Field has been completed. Work will begin on the distribution system in 1956. The Corporation plans on taking natural gas to other centres in southern Saskatchewan during the coming year.

The Saskatchewan Power Corporation gas system now serves our 12,000 customers. Natural gas consumption on the Brock-Colville-Saskatoon-Prince Albert system will total 4,000,000,000 cubic feet by the end of 1955.

DAY OR NIGHT ALL HOURS FOR PUBLIC SERVICE

Saskatchewan POWER CORPORATION

Here's Record of Current Oil and Gas Drilling

(Continued from page 66)

Alberta

West of the Fourth Meridian:

Area	Elevation	Well	Location	Depth	Remarks
Aden	....	Robert Pattie 1	6- 5- 1-10w4	3,074	Drilling
Coutts	3,617	Albermont-Union Oblanski 11A-1	11- 1- 1-17w4	144	Drilling
Aden	3,019	Can. Export Gas Aden 6-21	6-21- 2-10w4	1,934	Drilling
Pakowki Lake	2,898	New Brit. U.S. Smelt. Pakowki 11-29	11-29- 4- 8w4	320	Repairing
Pend't. D'O.	2,940	Can. Montana Gas Co. Well 7-25	7-25- 4- 9w4	730	Drilling
Pincher Crk.	4,446	Gulf Rudolph 1	11-31- 4-29w4	12,611	Drilling
Manyberries	3,669	Can. Export Gas E. Manyberries 3-32	3-32- 5- 4w4	.....	Location
Blood I.R.	3,507	Sinclair Blood I. R. 1	1- 4- 7-24w4	6,879	Standing cemented
Turin	2,724	Western Turin 27-10	10-27-11-19w4	?	Standing cemented
Irvine	2,434	Can. Export Gas North Irvine 10-25	10-25-12- 2w4	.....	Rigging
Parkland	3,661	Texaco Baysel Pine Coulee A-11-32	11-32-14-28w4	8,730	Preparing to core
Mesekum	2,475	Westates 1-19	7-19-15-11w4	.....	Location
Nanton	3,352	Richfield Cal-Standard Lind 6-4	6- 4-16-27w4	5,501	Drilling
"	3,580	Oilwell Oper. et al Nanton 8-28	8-28-16-29w4	9,455	Drilling
Hilda	2,453	Can. Export Gas West Hilda 6-34	6-34-17- 3w4	3,125	Abandoned
Tilley	2,458	Key Tartan Tilley 1	10-21-17-13w4	3,227	Standing
Eyremore	2,750	White Rose et al Eyremore 20-7	7-20-17-18w4	.....	Location
Hilda	2,463	Can. Export Gas Hilda 6-13	6-13-18- 2w4	.....	Moving in
Brooks	2,516	Can. Export Gas Sun Brooks 7-15	7-15-19-16w4	3,732	Drilling
Okotoks	3,387	Christie-Mitchell Damen Ok. 10-31	10-31-20-28w4	8,762	Devonian Gaswell
Atlee	2,085	Royalite-Can. Export N. Atlee 11-4	11- 4-23- 7w4	2,747	Abandoned
Control	2,582	Mobil C.P.R. Control 7-16	16- 7-24-16w4	4,410	Drilling
Wintering Hills	3,007	H.B.-Stanolind Wintering Hills 4	10-20-24-19w4	.....	Location
Cabin Lake	2,686	B.A. Cabin Lake 2-4	2- 4-26- 8w4	4,412	Completing
Helmsdale	2,472	Can. Export Gas Helmsdale E6-19	6-19-26- 6w4	.....	Location
Wintering Hills	....	H.B.-Stanolind Wintering Hills 2	7- 9-26-20w4	.....	Location
Drumheller	2,702	Western-Dome-Naco Drumheller 19-13	13-19-29-19w4	4,180	Drilling
Drumheller (W.)	....	Carleton-Mazel Drumheller 14-36A	14-36-29-21w4	.....	Rigging
Hanna	2,808	Colorado Maygill Hanna 7-35	7-35-30-16w4	.....	Location
Drumheller (W.)	2,548	Hudson's Bay West Drumheller 3-2	8- 3-30-21w4	.....	Location
"	2,546	Hudson's Bay West Drumheller 3-7	8- 3-30-21w4	5,587	Completing
"	2,396	Gulf West Drumheller 10-3	10- 3-30-21w4	5,364	D2 oilwell
Hanna	2,782	Maygill Hanna 10-32	10-32-31-15w4	.....	Location
Consort	2,555	Tennessee A Summer B-1	10-13-35- 7w4	2,693	Drilling
Hamilton Lake	2,534	Baysel Unit Throne 14-18	14-18-35- 9w4	.....	Location
"	2,572	National Bulk Carries Inc. 13-9	13- 9-35- 9w4	.....	Location
"	2,563	National Bulk Carries Inc. 2-19	2-19-35- 9w4	.....	Location
"	2,561	National Bulk Carries Inc. 8-19	8-19-35- 9w4	.....	Location
Fenn-Big Valley	2,847	Imperial Big Valley 3-16N	3-16-35-20w4	.....	Rigging
"	2,894	Imperial Caprona 12-34N	12-34-36-20w4	5,380	Running casing
"	2,792	Gulf Dupont 9	9-10-37-20w4	.....	Moving in
"	2,790	Gulf Dupont 16	16-10-37-20w4	5,478	D3 oilwell
"	2,796	Gulf C.P.R. Jacques 1	1-15-37-20w4	.....	Location
"	2,797	Gulf C.P.R. Jacques 8	8-15-37-20w4	5,346	Drilling
Stettler	2,698	Gulf C.P.R. Shinness 4	4-21-38-20w4	.....	Location
"	2,648	Gulf Owen 4	4-29-38-20w4	5,582	Salt water disposal well
"	....	Gulf Owen 6	6-29-38-20w4	.....	Location
Joffre	2,859	Sinclair G. Deering 1	16- 9-38-25w4	4,782	Viking oilwell
"	2,831	Phillips Joffre A-7	11-10-38-25w4	.....	Location
"	....	Phillips Joffre A-6	13-10-38-25w4	4,810	Logging
"	2,805	Great Plains Joffre 11-11	11-11-38-25w4	.....	Location
"	2,831	Great Plains Joffre 12-11	12-11-38-25w4	4,758	Testing
"	2,793	Pacific Western Carlson 3-14	3-14-38-25w4	?	Standing cemented
"	2,898	Can. Superior Morton Estate 3-19	3-19-38-25w4	.....	Location
"	2,901	Phillips Joffre B-4	10-32-38-26w4	4,990	Drilling
"	....	Phillips Joffre B-5	14-32-38-26w4	....	Location
"	3,161	Cal. Standard Joffre 12-38	12-33-38-26w4	....	Location
"	....	Texaco Joffre B-8-34	8-34-38-26w4	2,600	Drilling
Erskine	2,682	Gulf C.P.R. Clarke 8	8- 7-39-20w4	....	Location
Erskine	2,697	Gulf C.P.R. Clarke 9	9- 7-39-20w4	5,020	Drilling
"	2,691	Superior Madison Erskine 12-8	12- 8-39-20w4	3,960	Drilling
"	2,688	Gulf Times 6-19	6-19-39-20w4	5,446	D3 oilwell
"	2,686	Oilwell Operators Erskine 9-13	9-13-39-21w4	5,394	D3 oilwell
"	2,691	Oilwell Operators Erskine 16-13	16-13-39-21w4	?	Drilling
"	2,685	Oilwell Operators Erskine 1-24	1-24-39-21w4	3,822	Drilling
"	2,688	Oilwell Operators Erskine 2-24	2-24-39-21w4	5,397	D3 oilwell
Joffre	2,689	Mic Mac Joffre 6-4	6- 4-39-26w4	?	Drilling
Red Deer	2,944	Can. Sea. Can. Sup. Red Deer 10-5	10- 5-39-26w4	.....	Rigging
"	2,947	Imperial Red Deer 11-5V	11- 5-39-26w4	.....	Location
"	2,911	Imperial Red Deer 16-6V	16- 6-39-26w4	4,441	Drilling
"	2,902	Imperial Red Deer 1-7V	1- 7-39-26w4	.....	Location
"	2,905	Imperial H.B. Red Deer 3-8V	3- 8-39-26w4	.....	Location
"	2,902	Imperial Red Deer 4-8V	4- 8-39-26w4	5,146	Testing
Burbank	2,769	Cal. Standard Burbank 5-14	5-14-39-27w4	2,780	Drill'g (corrected depth)
"	....	Cal. Standard Burbank 3-22	3-22-39-27w4	5,515	Coring
Lacombe	3,047	Can. Superior Lowe 3-35	3-35-39-28w4	.....	Location
"	3,044	Can. Superior Lowe 4-35	4-35-39-28w4	.....	Location
Rochon Sands	2,588	Gulf Sherriff 11	11- 4-40-21w4	6,352	Drilling
Goose Lake	2,252	Richfield Brandigen 6-36	6-36-41-12w4	.....	Location
Forestburg	2,330	Hudson's Bay et al Forestburg 2	6-12-42-15w4	3,445	Drilling
New Norway	2,541	Gulf Holt Nisku 11	11-36-44-22w4	4,755	D2 oilwell
Usona	2,777	Cal. Standard Fairybank 2-8	2- 8-44-27w4	7,830	Suspended
Wainwright	2,272	Amer. North. Wain. P&R 20-B-1	1-20-45- 6w4	.....	Location
"	2,296	Amer. North. Wain. P&R 19-B-2	2-20-45- 6w4	.....	Location
"	2,320	Amer. North. Wain. P&R 10-B-4	4-20-45- 6w4	.....	Location
"	2,307	Amer. North. Wain. P&R 16-B-5	5-20-45- 6w4	.....	Location
"	2,334	Mill City et al Wainwright 16-2	13-20-45- 6w4	2,311	Wainwright sand oilwell
"	2,286	Amer. North. Wain. P&R 18-D-14	14-20-45- 6w4	2,200	Fishing
"	2,232	Cleary Trident Wainwright 3-A-22	† 3-22-45- 6w4	.....	Location
"	2,242	Cleary Trident Wainwright 4-B-22	* 4-22-45- 6w4	.....	Location
"	2,235	Cleary Trident Wainwright 5-A-22	† 5-22-45- 6w4	.....	Location
"	2,310	Nuco Bell 8-B-32	8-32-45- 6w4	2,274	Wainwright sand oilwell
"	2,321	Nuco Bell 15-D-32	15-32-45- 6w4	2,292	Wainwright sand oilwell
"	2,300	Amer. North. Wain. P&R 25-B-4	4-33-45- 6w4	.....	Location
"	2,302	Amer. North. Wain. P&R 23-D-4	4-33-45- 6w4	.....	Rigging
"	2,308	Amer. North. Wain. P&R 24-B-5	5-33-45- 6w4	2,268	Wainwright sand oilwell
"	2,255	Cleary Trident Wainwright 11B-33	*11-33-45- 6w4	.....	Location
"	2,248	Cleary Triden Wainwright 13B-33	*13-33-45- 6w4	.....	Location
"	2,243	Cleary Trident Wainwright 14A-33	†14-33-45- 6w4	.....	Location
"	2,223	Cleary Trident Wainwright 14B-33	*14-33-45- 6w4	.....	Location
Fabyan	2,316	Inland Gas & Oil Co. Ltd. 7	6-27-45- 8w4	.....	Location
Battle(s)	2,361	Cleary Driedmeat 14-26	14-26-45-20w4	.....	Location
Wainwright	2,288	Nuco Fair 10-D5	10- 5-46- 6w4	.....	Location
Viking-Kins.	2,201	C.B.E.O. Maygill Viking 11-7	11- 7-46- 8w4	2,551	Gaswell
"	2,259	C.B.E.O. Maygill Viking 10-13	10-13-46- 9w4	1,990	Drilling
Baxter Lake	1,959	Leo 3	‡11-11-47- 5w4	1,770	Suspended
Bonnie Glen	....	Texaco Bonnie Glen E-4	6-29-47-27w4	6,410	Whipstocking
Joarcam	2,514	Imperial Hay Lakes 16-19V	16-19-49-21w4	2,500	Drilling
Leduc-Wood	2,388	Imperial H.B. Leduc 629	14-26-49-26w4	.....	Location
"	2,382	Sage Mystery 6-35	6-35-49-27w4	5,475	Standing
Lloydminster	....	L.D.C. Disposal Well 1	8- 6-50- 1w4	.....	Location
"	....	L.D.C. Mollusca 6-8	10- 6-50- 1w4	.....	Location
"	....	L.D.C. Mollusca 6-10	10- 6-50- 1w4	.....	Location
"	2,212	L.D.C. Mollusca 7-12	4- 7-50- 1w4	.....	Location
Acheson	2,314	Gulf Cardinal 16	16- 4-52-26w4	5,860	Drilling
"	2,311	Imperial Acheson 4-10L	4-10-52-26w4	5,093	Swabbing
Ardrossan	2,230	Pure Texas Pacific Ardrossan 14-17	14-17-53-22w4	947	Drilling
St. Albert	....	Imperial Big Lake 11-35B	11-35-53-26w4	.....	Location
Campbell	2,252	Trans Empire Campbell 17	15-21-54-25w4	2,942	Drilling
St. Albert	....	Stanolind et al St. Albert Unit 5	5- 1-54-26w4	3,723	Drilling
Carbondale	2,249	Sharples Carbondale 6-17	6-17-55-24w4	5,180	P.B. 3,680; indicated basal quartz oilwell
Volmer	....	Imperial Volmer 12-25L	12-25-55-25w4	3,219	Drilling
Hairy Hill	2,115	Redwater Oil Ltd. Hairy Hill 2-7	7- 2-56-14w4	.....	Location
Glendon	1,945	Trican Clendon 3	1- 4-61- 8w4	.....	Location
Ellscott	2,308	Western Ellscott 21-6	6-21-63-19w4	2,426	Coring
Baptiste Lk.	2,216	B.A. Cal. Stand. Baptiste Lake 10-33	10-33-65-24w4	3,755	D1 Gas well

West of the Fifth Meridian:

Coleman	....	Union Quaich 10-3	10- 3- 9- 3w5	5,958	Drilling
Porcupine Hills	4,468	Gulf Rocking P 2-29	2-29-13- 2w5	.....	Location
Savanna Cr.	....	Savanna Creek 3-8	3- 8-14- 4w5	.....	Location
"	6,229	Savanna Creek 2A	5-21-14- 4w5	8,481	Standing cemented
"	8,200	Savanna Creek 3	5-32-14- 4w5	.....	Location
Pekisko	4,000	Husky Northern Pekisko 1	13-12-17- 2w5	4,089	Drilling
Calgary	3,417	A.N.D. 1	10-14-23- 1w5	9,038	Testing
Bearspaw	4,149	Western Bearspaw 22-9	9-22-25- 2w5	10,120	Suspended
Morley	....	Shell Morley 1	5- 7-26- 6w5	.....	Location
Dogpound	3,935	G.P. Triad Royalite Dogpound 11-32	11-32-28- 3w5	5,359	Drilling
Panther Riv.	5,674	Un. Can. Homestead Panther R. 12-11	12-11-30-11w5	1,475	Drilling
Westward-Ho	3,759	Oilwell Oper. C. & E. Harmatton 1-7	1- 7-32- 4w5	8,188	Drilling
"	3,571	H.B. Oilwell Oper. West-HO 11-8	11- 8-33- 4w5	8,980	Mississippian oilwell
"	3,576	Oilwell Oper. C. & E. West-HO 3-17	3-17-33- 4w5	8,811	Fishing
Sundre	3,634	Hudson's Bay Sundre 11-27	11-27-33- 5w5	2,904	Drilling
"	3,536	Hudson's Bay Sundre 5-34	5-34-33- 5w5	....	Rigging
"	3,514	Hudson's Bay Sundre 11-34	11-34-33- 5w5	7,054	Drilling
"	2,629	Hudson's Bay Sundre 5-3	5- 3-34- 5w5	8,985	Drilling
"	3,641	Hudson's Bay Sundre 13-9	13- 9-34- 5w5	9,275	Completing
Kevisville	3,233	Gulf Lanaway 11	11-36-34- 5w5	.....	Rigging
Ricinus	4,054	Phillips Ricinus 1	15-27-35- 9w5	7,973	Drilling
Strachan	4,210	Gulf Strachan 12-31A	12-31-37- 9w5	1,750	Drilling
Ancona	3,822	Phillips Ancona 1	8-27-39-11w5	12,547	Logging
Gilby	....	Cal. Standard Gilby 10-19	10-19-40- 2w5	6,833	Coring
"	....	Cal. Standard Gilby 13-31	12-31-40- 2w5	.....	Location
Withrow	....	Texaco Withrow A-2-4-B	2- 4-40- 4w5	10,635	Abandoned
Gilby	3,150	Cal. Standard Gilby 6-5	6- 5-41- 2w5	6,023	Acidizing
Sylvan Lake	3,156	Canadian Seaboard Sylvan 12-3	12- 3-41- 3w5	.....	Location
Alhambra	....	Texaco McColl Alhambra A14-25	14-25-41- 6w5	6,035	Drilling
"	....	Texaco McColl Alhambra A14-35	14-35-41- 6w5	6,360	Cardium oilwell
Rocky Mtn. Hse.	3,154	Superior et al Rock Mtn. Hse. 6-26S	6-26-41- 8w5	8,950	Testing
Rimbey	....	Texaco McColl Rimbey A9-36	9-36-42- 2w5	.....	Location
"	....	Texaco McColl Rimbey A11-36	11-36-42- 2w5	8,021	Completing
Alhambra	....	Texaco McColl Alhambra A6-2	6- 2-42- 6w5	.....	Location
Rocky Mtn. Hse.	2,936	Superior et al Rocky Mtn. Hse. 14-14	14-14-42- 8w5	.....	Location
"	2,932	Superior et al Rocky Mtn. Hse. 6-23	6-23-42- 8w5	.....	Location
"	2,920	Superior et al Rocky Mtn. Hse. 4-26	4-26-42- 8w5	.....	Location
"	3,109	Superior et al Rocky Mtn. Hse. 12-27	12-27-42- 8w5	.....	Location
Homeglen	3,060	Gulf Sach 10	10-36-43- 1w5	3,365	Circulating
Pembina	2,946	G.P. Baysel Seaboard Buck Lk. D14-28	14-28-46- 7w5	5,208	Completing
"	3,054	G.P. Baysel Seaboard Buck Lk. D6-29	6-29-46- 7w5	.....	Location
Breton	....	Texaco Cent. Monarch Breton A8-32	8-32-47- 3w5	6,100	Testing
Pembina	2,966	G.P. Baysel Seaboard Buck Cr. 10-2	10- 2-47- 7w5	.....	Location
"	2,973	G.P. Baysel Seaboard Buck Cr. 14-2	14- 2-47- 7w5	615	Drilling
"	2,962	G.P. Baysel Seaboard Buck Cr. 16-2	16- 2-47- 7w5	.....	Location
"	2,867	Can. Seaboard Buck Creek 10-5	10- 5-47- 7w5	.....	Location
"	2,867	Can. Seaboard Buck Creek 14-5	14- 5-47- 7w5	.....	Location
"	2,861	G.P. Baysel Seaboard Buck Cr. 6-9	6- 9-47- 7w5	.....	Location
"	2,990	G.P. Baysel Seaboard Buck Cr. 4-11	4-11-47- 7w5	610	Drilling
"	2,973	G.P. Baysel Seaboard Buck Cr. 8-11	8-11-47- 7w5	3,335	Drilling
"	3,026	Seaboard G.P. Baysel Buck Cr. 10-14	10-14-47- 7w5	613	Reaming
"	3,024	Seaboard G.P. Baysel Buck Cr. 12-14	12-14-47- 7w5	.....	Location
"	2,939	Seaboard G.P. Baysel Buck Cr. 12-15	12-15-47- 7w5	.....	Location
"	2,823	Seaboard Buck Creek 12-21	12-21-47- 7w5	?	No report
"	2,931	Mobil Seaboard Buck Creek 25-14	14-25-47- 7w5	5,160	Cardium oilwell
"	2,886	Mobil Seaboard Buck Creek 35-14	14-35-47- 7w5	.....	Location
"	2,791	Baysel G.P. Seaboard Wolf Cr. 10-1	10- 1-47- 8w5	1,158	Drilling
"	2,764	Baysel G.P. Seaboard Wolf Cr. 14-1	14- 1-47- 8w5	.....	Location
"	2,776	Baysel G.P. Seaboard Wolf Cr. 8-12	8-12-47- 8w5	5,210	Cardium oilwell
"	2,759	Baysel G.P. Seaboard Wolf Cr. 16-12	16-12-47- 8w5	.....	Location
"	2,740	Baysel G.P. Seaboard Wolf Cr. 4-13	4-13-47- 8w5	.....	Location
"	2,741	Baysel G.P. Seaboard Wolf Cr. 8-13	7-13-47- 8w5	.....	Location
"	2,548	Baysel G.P. Seaboard Wolf Cr. 8-14	8-14-47- 8w5	.....	Location
"	2,553	Baysel G.P. Seaboard Wolf Cr. 10-14	10-14-47- 8w5	.....	Location
"	2,541	Baysel G.P. Seaboard Wolf Cr. 16-14	16-14-47- 8w5	4,985	Cardium oilwell
"	....	Stanolind H.B. Pembina Cr. F-46	4-21-47- 8w5	5,225	Cardium oilwell
"	2,956	Bishop Pembina 12-23	12-33-47- 8w5	4,497	Drilling
"	....	Stanolind H.B. Blue Ridge Cr. D-16	16- 4-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-50	2-21-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-52	16-21-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-55	6-22-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-59	8-22-47- 9w5	5,650	Cardium oilwell
"	....	Stanolind H.B. Pembina Crown G-56	14-22-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-28	12-26-47- 9w5	1,149	Drilling
"	....	Stanolind H.B. Pembina Crown G-25	14-26-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-38	6-27-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-34	10-27-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-7	6-32-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-44	8-28-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-28	12-31-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-25	14-31-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-37	14-27-47- 9w5	5,670	Running casing
"	....	Stanolind H.B. Pembina Crown G-42	8-33-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-48	10-33-47- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown G-36	6-34-47- 9w5	5,472	Drilling
"	....	Stanolind H.B. Pembina Crown G-29	4-35-47- 9w5	.....	Location
"	....	Stanolind H.B. Blue Rapids Cr. B-20	6-13-47-10w5	.....	Location
"	....	Stanolind H.B. Blue Rapids Cr. B-23	8-23-47-10w5	3,237	Drilling
"	....	Stanolind H.B. Pembina Crown E-31	8-35-47-10w5	2,532	Drilling
"	....	Stanolind H.B. Pembina Crown E-32	16-35-47-10w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-19	8-36-47-10w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-37	10-36-47-10w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-29	14-36-47-10w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-34	16-36-47-10w5	.....	Location
Mountain Pk.	4,617	Gulf Mountain Park 5-36	5-36-47-22w5	.....	Location
Pembina	2,813	Imperial Can. Sup. Buck Cr. 16-18C	16-18-48- 6w5	4,765	Cardium oilwell
"	2,775	Imperial Can. Sup. Buck Cr. 8-29BC	8-29-48- 6w5	3,532	Belly River oilwell
"	2,781	Imperial Can. Sup. Buck Cr. 8-31C	8-31-48- 6w5	....	Rigging
"	2,851	Mobil Seaboard Violet Grove 2-6	6- 2-48- 7w5	.....	Location
"	2,893	Socony Seaboard Violet Grove 2-8	8- 2-48- 7w5	.....	Location
"	2,793	Mobil Seaboard Violet Grove 3-6	6- 3-48- 7w5	3,574	Drilling
"	2,510	Mobil Seaboard Violet Grove 4-8	8- 4-48- 7w5	.....	Location
"	2,503	Mobil Seaboard Violet Grove 8-2	2- 8-48- 7w5	3,887	Drilling
"	2,710	Mobil Seaboard Violet Grove 8-6	6- 8-48- 7w5	1,890	Drilling
"	2,735	Mobil Seaboard Violet Grove 8-12	12- 8-48- 7w5	4,994	Cardium oilwell
"	2,498	Socony Seaboard Violet Grove 9-4	4- 9-48- 7w5	.....	Location
"	2,476	Socony Seaboard Violet Grove 9-12	12- 9-48- 7w5	.....	Location
"	2,681	Mobil Seaboard Violet Grove 15-12	12-15-48- 7w5	.....	Location
"	2,477	Socony Seaboard Violet Grove 17-8	8-17-48- 7w5	.....	Location
"	2,754	Socony Seaboard Violet Grove 18-7	7-18-48- 7w5	.....	Location
"	2,851	Mobil Seaboard Violet Grove 19-14	14-19-48- 7w5	.....	Location
"	2,760	Socony Seaboard Violet Grove 20-14	14-20-48- 7w5	.....	Location
"	2,662	Mobil Seaboard Violet Grove 22-2	2-22-48- 7w5	593	Drilling
"	2,656	Mobil Seaboard Violet Grove 22-8	8-22-48- 7w5	.....	Location
"	2,784	Mobil Seaboard Violet Grove 30-8	8-30-48- 7w5	4,042	Drilling
"	2,810	Canadian Seaboard Pembina 8-1	8- 1-48- 8w5	5,135	Cardium oilwell
"	3,003	White Rose Bralsaman Pembina 6-14	14- 6-48- 8w5	5,475	Cardium oilwell
"	2,768	Socony Seaboard Pembina 13-8	8-13-48- 8w5	.....	Location
"	2,783	Socony Seaboard Pembina 22-16	16-22-48- 8w5	.....	Location
"	2,828	Mobil Seaboard Pembina 26-12	12-26-48- 8w5	5,105	Completing
"	2,834	Mobil Seaboard Pembina 26-14	14-26-48- 8w5	.....	Location
"	2,851	Mobil Seaboard Pembina 27-8	8-27-48- 8w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-5	6- 5-48- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-13	16- 7-48- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown E-2	14- 8-48- 9w5	.....	Location
"	2,951	White Rose Kroy Pembina 12-16	16-12-48- 9w5	3,952	Drilling
"	....	Stanolind H.B. Pembina Crown D-6	14-20-48- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown H-26	2-21-48- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown A-50	8-22-48- 9w5	5,300	Standing cemented
"	....	Stanolind H.B. Pembina Crown A-48	10-22-48- 9w5	2,319	Drilling
"	....	Stanolind H.B. Pembina Crown A-49	16-22-48- 9w5	2,401	Drilling
"	....	Stanolind H.B. Pembina Crown D-4	14-29-48- 9w5	3,590	Drilling
"	....	Stanolind H.B. Pembina Crown D-12	8-31-48- 9w5	.....	Located
"	....	Stanolind H.B. Pembina Crown D-2	14-32-48- 9w5	.....	Located
"	....	Stanolind H.B. Pembina Crown B-30	16-33-48- 9w5	.....	Located
"	2,834	Stanolind H.B. Pembina Crown B-2	16-35-48- 9w5	.....	Located
"	....	Stanolind H.B. Pembina Crown E-22	16- 1-48-10w5	.....	Located
"	....	Stanolind H.B. Rat Creek Cr. B-1	14-34-48-10w5	3,710	Drilling
"	2,417	Hudson's Bay West Pembina 2	16-18-48-13w5	9,624	Logging

(Continued on page 70)

New Superior

New Superior Oils of Canada had oil reserves of 2,095,328 bbls. at April 30, 1955, plus net estimated gas reserves of 15.3 billion cu. ft. Oil reserves were later boosted a million bbls. by successful Pembina wells.

A 45% interest is held in the large Rocky Mountain House acreage where Cardium producing wells are being drilled. Individual production from wells has been small but an increase has been anticipated.

At April 30, 1955, the company had an interest in 195 oil wells in various areas representing a net interest of 25.74 wells. In addition the company had interests in seven gas wells.

Acquisition and development of the Pembina land ran an estimated $1,095,000 which was arranged through a bank loan to be retired out of income.

A net profit of $210,777 was realized before write-offs in the year ended April 30, 1955, with a loss of $387,221 after all charges as against $134,562 profit a year earlier. Working capital amounted to $255,102 at April 30, 1955.

Yankee Canuck

A var d interest in 11 producir oil wells is held by Yankee Canuck Oil & Mining Corp., as well as mining interests.

The company's wells are located in the Leduc, Bashaw and Bonnyville fields of Alberta. In Florida geophysical work has been done on 3,480 acres held with others and a three-well drilling program is planned.

In May of this year the company acquired a uranium property in Mesa County, Colorado, which is reported to be shipping ore at a rate of 300 tons a month. An option is also held on a manganese prospect in Colorado, and drilling is under way to test the block. In Northern Saskatchewan the company staked an iron ore prospect near Gillies Lake, and assays indicate 61% iron oxide with 42% recoverable iron. Sulphur and phosphorus content are stated to be low.

Authorized capital was doubled early this year to 10 million shares, and par value was changed from $1 to 20c. During the year to date the company has received a total of $160,000 from sale of a million shares, while 800,000 shares are under option at prices ranging from 35c to 60c per share.

Revenue from the Leduc and Bashaw wells is reported to be running around $60,000 annually.

National Pete

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401 LEESON-LINEHAM BUILDING
CALGARY, ALBERTA
CANADA

General Pete.

As one of Canada's largest contract drilling companies, General Petroleums of Canada revenues in 1955 have undoubtedly benefitted from the great expansion of drilling operations.

In 1954 when a net profit of $214,872 was realized, the company was fortunate in doing as well as it did despite the bad drilling weather and the highly competitive character of bidding for drilling contracts.

Profit on completed contracts and from oil interests had amounted to $1,905,369 compared with $2,396,789 the year before.

Write-offs amounted to over $1 million.

Income from oil production was somewhat affected last year by the decline in the company's income from 76 wells from 30% to 21% as the company had had a return of its entire outlay with respect to these wells.

Production has been augmented by successful drilling in the West Drumheller area where the company was recently reported to have interests in 28 wells completed in association with the New Superior interests.

General Petroleums has been identified with productive drilling in the Rocky Mountain House and Garrington areas of the Alberta foothills and in the drilling of a number of gas wells in Saskatchewan.

Reserves were estimated at Sept. 30, 1954, at 2,478,533 bbls. of oil and 7.87 billion net cu. ft. of gas.

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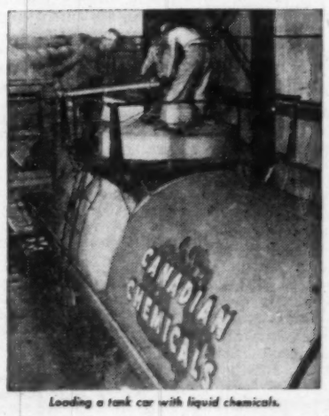
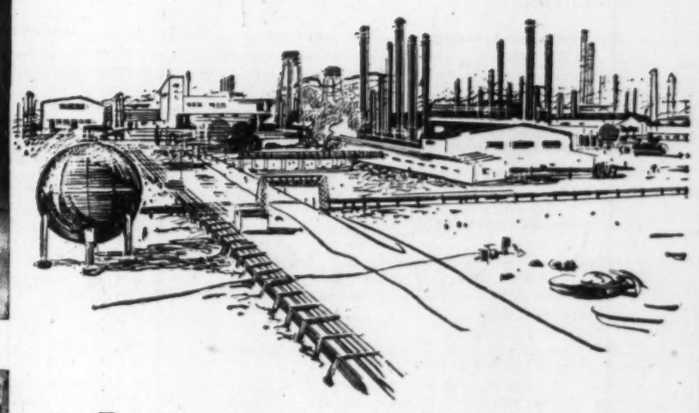
Box-loading cellulose acetate flake.



Loading a tank car with liquid chemicals.



PROCESSING the hydrocarbons found in Alberta's generous bounty of petroleum resources to form industrially-useful organic chemicals — converting pulp from the trees of British Columbia's forests into cellulose acetate flake, yarn and staple fibre — these are ways in which the 200-acre Edmonton plant of Canadian Chemical Company, Limited is helping to develop nature's resources, creating new wealth for Canada.

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SASKATCHEWAN

Oil, Gas Yields Gaining

New Economic Strength for 'Wheat Province'

A sharp upswing in exploratory drilling in Saskatchewan in recent years has been reflected by a much greater production of crude oil in 1955. Estimated production for the year is now placed at 13.6 million barrels compared with 5,422,000 barrels in 1954, 2,791,472 barrels in 1953.

With estimated $51.6 millions spent on development and exploration in 1955 ($48,298,366 in 1954), Saskatchewan officials are predicting still greater production in coming years. Estimated production for 1957 is 25.5 million barrels while 1960 is expected to have an output of 60 million barrels.

Natural gas sales are but a small fraction of those for crude oil. But the rate at which Saskatchewan is discovering further gas suggests that gas as well as oil will play an important part in further development of the province's economy.

The Box Score

Monthly Performance in 1955

	Production — Oil bbls.	Production — Gas MCF	Footage drilled Ft.	Rigs Operating	New oil wells	New gas wells	No. of dry holes
January	670,342	833,108	164,443	33	38	1	17
February	675,739	894,314	201,994	36	27	..	15
March	624,357	966,479	252,660	38	26	..	22
April	573,652	727,901	171,060	30	48	..	14
May	780,883	727,281	206,006	33	39	1	15
June	930,820	667,810	313,802	40	63	..	35
July	1,062,383	727,874	310,443	47	67	2	34
August	1,187,088	853,498	246,445	54	53	1	47

Oil Fields

SASKATCHEWAN OIL FIELDS IN 1955
(Number of Oil Wells)
Figures show in each instance actually operating oil wells first, followed by oil wells capable of being operated.

Field Name	January	February	March	April	May	June	July	August
Alida	3-4	5-5	7-10	5-10	9-11	12-14	13-18	16-19
Battrum	...	...	...	1-2	1-4	1-4	2-4	1-4
Birling Sparky	0-6	0-6	0-6	0-6	0-6	0-6	0-6	0-6
Bone Creek	...	...	...	...	...	...	3-4	6-7
Cantuar	10-45	14-45	18-45	37-54	39-59	44-71	54-79	61-93
Coleville-Smiley	257-299	269-306	265-324	290-342	318-365	338-391	359-396	369-400
Dollard	14-22	14-25	13-26	12-28	5-29	5-31	6-31	7-34
Eastend	0-6	0-6	0-6	0-6	0-6	0-6	0-6	0-6
Forget	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2
Fosterton	37-53	34-54	8-54	19-54	46-54	46-54	48-54	49-54
Frobisher	9-10	11-11	11-12	11-11	13-15	14-15	17-17	19-19
Gull Lake	22-40	23-42	25-45	25-47	25-48	31-50	32-50	38-54
Hoosier	1-2	1-2	2-2	2-2	2-2	2-2	1-2	2-2
Instow	4-6	0-5	0-6	0-6	0-6	0-6	0-6	0-6
Java	0-4	0-4	0-4	0-4	0-4	0-4	0-4	0-4
Lampman	...	...	...	...	...	...	3-3	3-4
Leon Lake	1-4	0-4	0-4	0-4	1-4	1-4	1-4	3-4
Lloydminster	179-254	174-252	182-252	169-250	169-250	178-257	191-264	197-268
Lone Rock	140-158	131-159	137-165	141-167	139-167	146-167	147-168	149-167
McLaren	17-27	17-27	17-27	17-27	10-27	20-26	19-26	18-26
Maidstone	3-11	3-11	3-11	3-11	2-11	3-11	3-11	3-11
Morengo	1-1	1-1	1-1	1-1	1-1	1-1	1-1	1-1
Marsden	8-11	8-11	10-11	9-11	8-11	8-11	9-11	9-11
Midale	25-31	26-36	29-38	21-39	20-39	28-47	35-51	39-59
Midway	0-1	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Moose	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2
North Premier	0-8	0-8	0-8	0-8	0-8	0-8	0-8	0-8
Nottingham	...	...	...	3-6	1-6	4-8	8-9	10-13
Rapdan	0-4	0-4	0-4	0-4	0-4	0-4	0-4	0-4
Ratcliffe	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-1
South Illerbrun	0-1	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Steelman	...	...	...	2-3	3-3	5-6	8-9	13-14
Success	24-59	29-63	24-66	36-69	46-70	60-70	63-71	63-72
Wapella	23-25	22-25	23-25	23-25	24-25	24-25	24-25	24-25
Waseca	7-7	7-7	7-7	...	6-7	7-7	6-7	6-7
Weyburn	...	...	...	...	...	2-2	2-3	5-6
Other Areas	10-38	14-44	18-49	74-181	11-46	8-38	9-39	14-45
Prob. Total	808-1171	800-1143	805-1216	847-1256	903-1295	996-1360	1069-1399	1130-1460

Gas Fields

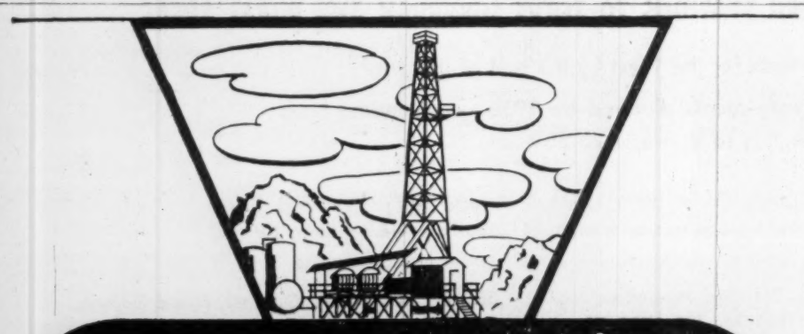
SASKATCHEWAN GAS FIELDS IN 1955
(Number of Wells)
Figures show actual number of operating gas wells first, followed by gas wells capable of being operated.

Field Name	January	March	April	May	June	July	August
Brock	8-12	8-12	8-12	6-12	6-12	8-12	6-12
Coleville	7-33	8-33	9-33	6-33	9-33	5-33	6-33
D'Arcy	0-6	0-6	0-5	0-5	0-5	0-4	0-0
Dodsland	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Elrose	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Glidden	0-2	0-2	0-2	0-2	0-2	0-2	0-3
Hatton	0-4	0-4	0-4	0-4	0-4	0-4	0-4
Lloydminster	12-18	12-18	11-18	8-18	7-18	4-18	3-18
Lone Rock	1-5	1-5	1-5	1-5	1-5	1-5	1-5
McLaren	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Morengo	1-1	0-1	1-1	1-1	1-1	1-1	1-1
Milton	0-1	0-1	0-1	0-1	0-1	0-1	0-1
Success	0-2	0-2	0-2	0-2	0-2	0-2	0-2
Unity	5-10	4-10	3-10	4-10	3-10	3-10	3-10
Other Areas	3-25	3-25	0-25	3-25	3-25	3-27	5-30
Prov. Total	37-122	36-122	36-121	29-121	30-121	25-122	25-122

SASKATCHEWAN OIL-GAS

	Oil output bbls.	Oil output $	Gas output MCF	Oil strikes	Oil Productive wells	Gas wells	Explor. & Dev. $
1955	*6,505,264	*10,621,028	*6,398,266	‡14	*1,460	*122	†51,600,000
1954	5,422,899	8,193,204	4,960,000	19	1,091	120	48,298,366
1953	2,791,472	3,828,766	1,620,000	24	792	89	43,915,309

*To Aug. 31 in 1955. †1955 estimate. ‡To Sept. 30 in 1955.



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Here's Record Of Oil Firm Experience

Triad Oil

A substantial future growth of Triad Oil Co. is expected in coming years due to the further large cash investment to be made by D'Arcy Exploration Co., a wholly owned subsidiary of the British Petroleum Co. (formerly Anglo-Iranian).

In December, 1954, D'Arcy exercised its option and agreed to purchase 4,800,000 shares at $3.035 a share to be taken up by Dec. 31, 1958.

Production income for the year ended Nov 30, 1954, was $1,399,594 compared with $1,182,623 for the previous year. Total net revenue, after deducting production expenses of $106,656, royalties of $203,123 and adding investment income of $133,247 was $1,223,062 as against $944,772 for 1953.

Net loss for the fiscal year ending Nov. 30, 1954, showed a reduction to $141,520 as against $407,744. In the 1954 year the company adjusted its accounting procedure with regard to writing off development expenditures.

Oil reserves at Nov. 30, 1954, were 15,505,000 bbls. not including the Gilwood and Wayne discoveries made in 1954.

Plans call for completion of expanded exploration and development programs. Working capital of $5,628,625 at Nov. 30, 1954 was more than double that of a year earlier and under D'Arcy financing further funds will be available when required.

Additional finances became available in 1955 when three investment houses exercised options on 60,000 shares at $2.50 a share and D'Arcy took down a million shares at $3.035 a share.

Pathfinder Pete.

An important development with respect to Pathfinder Petroleums in 1955 was the August management contract completed with a newly formed wholly owned subsidiary of San Juan Exploration Co. of Dallas, Texas.

Under terms of the management contract, all personnel and facilities of the Dallas office of San Juan are available to the company. A wholly owned subsidiary of San Juan purchased 400,000 shares at 67c a share.

A special meeting of shareholders, Aug. 31, approved an increase in authorized capital from 5 million to 7.5 million shares. Under terms of its management contract, San Juan Exploration (Canada) has received warrants for purchase of 400,000 shares at $1 a share up to Aug. 31, 1961, when all warrants terminate.

In September, current income was estimated to be at a rate of $557,000 for the company and its wholly owned subsidiaries after all royalties and well operating costs but before lease rentals and administration. Petroleum and royalty income had amounted to $177,233 in the year ended Feb. 28, 1955, when a net loss of $86,854 was experienced after write-offs.

Working capital was approximately $81,000 at Feb. 28, 1955, when there were $1,433,000 of debentures outstanding. Over $250,000 was provided by the San Juan financing later in the year.

Pacific Pete.

Pacific Petroleums is now seeing its plans for Westcoast Transmission Co. bearing fruit with Westcoast entering into an agreement to provide 300 million cu. ft. of gas a day for Pacific Northwest Pipeline Co. for distribution in the U. S. Pacific Northwest.

Not only has Pacific been the chief sponsor, together with associates, of Westcoast Transmission but Pacific and affiliates have very large reserves of gas in Northern British Columbia and Alberta which may now be placed on a revenue basis.

Pacific Pete., Peace River Natural Gas (Pacific over 50% interest) along with others have signed contracts with Westcoast for delivery of 355 million cu. ft. of gas a day for a 20-year period. Ultimate capacity of the line will be 660 million cu. ft. Natural gas reserves available to the pipeline system are estimated at 3.5 trillion cu. ft.

Through its large acreage "spread" in Western Canada, Pacific Pete. has attracted important partners for development of its holdings. Late in 1954, Southern Production Inc. doubled its committed expenditures from a minimum of $5 millions to $10 millions. This deal also involves acreage of Canadian Atlantic Oil in which Pacific owns 525,586 shares.

Last January, Imperial Oil entered into an agreement with Pacific and associates under which $9 millions is to be spent over a three-year period on exploration of some 2.5 million acres of reservation lands in northeastern British Columbia.

Pacific, of course, remains a substantial oil producer with reserves estimated in 1954 at some 30 million barrels in addition to a trillion cu. ft. of gas.

Net income from the company's wells and service operations amounted to $880,202 for the year ended Feb. 28, 1955, but after all charges there was a loss of $277,548. There was an excess of current liabilities over current assets of $3,397,535 at Feb. 28, 1955, excluding holdings in Peace River Natural Gas from current assets.

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- ✓ Reservations of Oil and Gas Rights
- ✓ Lease Terms and Royalties
- ✓ Taxation and Exchange

THEN CHECK WITH
J. AUSTIN RICHARDS,
SPECIAL REPRESENTATIVE,
BANK OF MONTREAL,
140 EIGHTH AVENUE WEST,
CALGARY, ALBERTA.
(TELEPHONE 2-8333)

NO STOCK RECOMMENDATIONS
While the Bank is prepared to provide all available information on the oil industry, it does not make recommendations regarding the purchase of individual oil stocks.

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BANK OF MONTREAL
Canada's First Bank

WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

Oil, Gas Drilling Record

(Continued from page 68)

Area	Elevation	Well	Location	Depth	Remarks
"	2,700	Mobil Seaboard Drayton VL. 3-12	12- 3-49- 7w5	.....	Location
"	2,846	Mobil Seaboard Drayton VL 7-8	8- 7-49- 7w5	.....	Location
"	2,831	Mobil Seaboard Drayton VL 7-16	16- 7-49- 7w5	.....	Location
"	2,719	Mobil Seaboard Drayton VL 15-4	4-15-49- 7w5	3,530	Drilling
"	2,838	Mobil Seaboard Drayton VL 18-8	8-18-49- 7w5	4,885	Running casing
"	2,865	Mobil Seaboard North Pembina 4-4	4- 4-49- 8w5	.....	Location
Pembina	2,872	Mobil Seaboard North Pembina 4-6	6- 4-49- 8w5	.....	Location
"	2,865	Mobil Seaboard North Pembina 4-12	12- 4-49- 8w5	4,650	Drilling
"	2,872	Mobil Seaboard North Pembina 9-4	4- 9-49- 8w5	5,127	Standing cemented
"	2,918	Mobil Seaboard North Pembiwna 9-6	6- 9-49- 8w5	.....	Location
"	2,854	Stanolind H.B. Pembina Crown B-3	4- 1-49- 9w5	.....	Location
"	2,802	Stanolind H.B. Pembina Crown B-9	12-12-49- 9w5	.....	Location
"	....	Stanolind H.B. Pembina Crown B-10	14-12-49- 9w5	.....	Location
"	....	Texaco McColl Aurora A8-21	8-21-49-10w5	5,454	Drilling
"	....	Texaco McColl Glendale A14-21	14-21-49-11w5	4,260	Drilling
"	....	Texaco McColl Glendale B16-26	16-26-49-11w5	5,595	Drilling
"	....	Cal. Standard Cynthia SE 8-11	8-11-49-12w5	5,050	Logging
"	....	Cal. Standard Cynthia SE 8-35	8-35-49-12w5	4,841	Logging
"	....	Cal. Standard Cynthia NE 4-12	4-12-50-12w5	4,877	Repairing
"	....	Cal. Standard Cynthia NE 4-25	4-25-50-12w5	4,507	Drilling
"	....	Imperial Cynthia 5-1	5- 1-52-11w5	.....	Location
Magnolia	2,560	Merrill Home et al Magnolia 15-32	15-32-53- 6w5	5,504	Drilling
Shiningbank	....	Union Anglo Kroy Stan. Shin. 16-23	16-23-56-14w5	5,685	Drilling
Whitecourt	....	Phillips Cities Ser. Mahaska 6-32	6-32-57-12w5	9,526	Abandoned
Thunder Lk.	2,184	Gulf Thunder Lk. 12-10	12-10-59- 5w5	.....	Location
Blueridge	2,466	Phillips Blueridge 1	7-23-59-10w5	5,494	Abandoning
Whitecourt	2,774	Fina Stanolind H.B. Windfall 12-36	12-36-59-15w5	10,930	D3 Gaswell
Corbett Cr.	2,383	Mobil Oil Corbet Creek 25-5	5-25-61- 8w5	7,020	P.B. 3,494; Prod. testing
Whitecourt	2,974	Mobil Oil Carson Lake 2-13	13- 2-62-11w5	.....	Location
Virginia Hills	3,565	Imperial Virginia Hills 4-24	4-24-63-11w5	.....	Location
Sturgeon Lake	2,124	H.B. Union Liberal 3-30	3-30-68-21w5	460	Drilling
"	2,091	H.B. Union Liberal 13-30	13-30-68-21w5	6,603	Drilling
"	2,129	H.B. Union Liberal 1-31	1-31-68-21w5	7,386	Drilling
"	2,195	H.B. Union Liberal 11-15	11-15-68-22w5	8,880	Abandoned
"	2,193	H.B. Union Liberal 7-34	7-34-68-22w5	6,933	Drilling
"	2,133	H.B. Union Liberal 3-36	3-36-68-22w5	6,035	Drilling
Simmonnette R.	2,580	Amerada Crown AJ 1A8	1- 8-68-23w5	10,620	Coring
Sturgeon Lk.	2,160	Shell South Sturgeon Lake SC 5-4	5- 4-69-21w5	.....	Location
"	2,126	H.B. Union Liberal 1-6	1- 6-69-21w5	7,314	Drilling
"	....	Texaco McColl Sturgeon Lake SB1-1	1- 1-69-22w5	7,416	Drilling
"	2,182	Amerada H.B. Union Crown V-13-10	13-10-69-22w5	5,875	Drilling
"	2,142	Amerada H.B. Union Crown V-11-11	11-11-69-22w5	.....	Location
"	2,133	Amerada H.B. Union Crown V5-12	5-12-69-22w5	6,540	Drilling
"	2,385	Western Sturgeon Lake 25-3	3-25-69-23w5	.....	Moving in
"	2,377	Amerada Crown AF 3-21	3-21-71-23w5	7,748	Drilling
"	2,448	Amerada Crown AF 13-21	13-21-71-23w5	.....	Location
"	....	Texaco Sturgeon Lake N. A7-28	7-28-71-23w5	9,901	Abandoned
"	2,569	Amerada Crown 03-32	3-32-71-23w5	7,755	Drilling
"	2,570	Amerada Crown 0-5-32	5-32-71-23w5	.....	Location
Forestview	2,081	Triad Iroquois 15-16	15-16-75-19w5	4,382	Drilling
Heart River	....	Union Evans N. Heart River 15-15	15-15-80-16w5	4,690	Drilling
Peace River	1,991	Shell Peace River 11-31	11-31-85-18w5	5,786	Testing
West of the Sixth Meridian:					
Kakwa River	5,143	Baysel Trin. C.F.P. Kakwa Riv. 1	10- 8-62-10w6	8,430	Working on Roads
Chinook Ridge	....	Stanolind Chinook Ridge A-1	3-12-65-13w6	10,016	Drilling
Smoky River	2,700	Rich. Cities Ser. Sinclair S.R.9-20	9-20-66- 4w6	13,679	Abandoned
Simonette River	2,383	Amerada Crown AN 4-8	4- 8-68- 1w6	.....	Moving in
Hinton Trail	....	McColl Cities Service Hint. Tr. 8-14	8-14-70-11w6	12,090	Drilling
Grande Prairie	....	Mobil Oil Grande Prairie 28-6	6-28-72- 4w6	2,750	Drilling
Smoky Heights	....	Amerada Crown Am. 9-10	9-10-74- 1w6	.....	Location
Demmitt	....	Stanolind North Demmitt 1	11-34-77-12w6	....	Rigging

British Columbia

West of the Sixth Meridian:					
Boundary Lake	....	Texaco N.F.A. Boundary Lake 2	9-21-87-15w6	4,221	Drilling
Doig River	....	Imperial Calvan Doig River 4-27	4-27-88-17w6	5,353	Drilling
East of the Coast Meridian:					
Alder Grove	....	Hercon Kris Aldergrove 1	13- 4-13-ECM	.....	Standard Rigged
Unsurveyed Territory:					
Red Willow	....	Stanolind Lingrell 1	54° 53'03" N. Lat. 120° 15'33.7" W. Long.	.....	Rigging
Halfway Lake	....	Phillips Kobes 1	56° 29' N. Lat. 122° 0'02" W. Long.	5,011	Drilling
Cameron River	....	Texaco N.F.A. Cameron Riv. 1	56° 42'00" N. Lat. 122° 29'42" W. Long.	5,124	Cadotte Gaswell
Buick Creek	....	Texaco N.F.A. Buick Creek 9	56° 49'26" N. Lat. 121° 12'30" W. Long.	4,647	Testing
Sheep Creek	....	Stanolind Sheep Creek 1	58° 34'55" N. Lat. 123° 55'10" W. Long.	.....	Rigging
Evie Lake	....	Gulf States Evie Lake 1		7,535	Drilling
Kelly Lake	....	Can. South. & Assoc. Kelly Lake 1		1,500	Drilling
Vernon	....	Enderby 2A		2,080	Standing
"	....	Enderby 3		.....	Location

New Locations

MANITOBA:					
Max Lake	....	Can. Cities Service E. Max Lk. 1	14-29- 1-20w1	2,900	Drilling; Con: Cleary
Lyleton	1,478	Great North. Carbon & Chem. Bell 1	12-22- 1-27w1	3,199	Abandoned; Con: Norc.
Purves	1,579	Nipiron Transborder Purves 16-11	16-11- 2-10w1	3,120	Abandoned; Con: Seam.
Virden	....	Can. Prospect Virden 2-13	2-13-10-26w1	.....	Location; Con:
"	....	Can. Prospect Virden 3-13	3-13-10-26w1	.....	Location
Daly	....	Basco Jones 16-12	16-12-10-28w1	?	Drilling; Con: Bar-N
N. Virden-Rose.	....	Cal. Standard Scallion 1-29	1-29-11-26w1	432	Drilling; Con: C.wealth
SASKATCHEWAN:					
Ingoldsby	1,739	Sun C. Hintz 12-7	12- 7- 4-31w1	.....	Location; Con: Dble. A
Rosebank	1,781	Mobil Wood. South. Rosebank 29-16	16-29- 4-32w1	3,385	Drilling; Con: Mobil
Nottingham	1,800	Mobil Wood. South. Nottingham 10-2	2-10- 5-32w1	300	Drilling; Con: C.wealth
Steelman	1,930	Imperial Steelman 15-17m	15-17- 4- 5w2	.....	Location
Midale	1,996	Hudson's Bay Midale 13-26	13-26- 6-11w2	.....	Location
Ralph	1,881	Central Del Rio S. Ralph 16-15	16-15- 6-13w2	.....	Rigging; Con: Cen. Ldc.
McEachern	2,854	Amerada Shell Crown SN 5-24	5-24- 1- 9w3	3,310	Drilling; Con: Guthrie
Sister Butte	....	Amerada Shell Crown SO 13-17	13-17- 3- 6w3	?	Drilling; Con: Rio-Plmr
McCord	....	Amerada Shell Crown SM 5-29	5-29- 4- 7w3	2,023	Drilling; Con: Gen. Pete
Rapdan	3,155	Tide Water Rapdan Crown 16-24	16-24- 4-20w3	4,795	Abandoned; Con: C.wlth
"	3,049	Tide Water Frenchman Crown 14-29	14-29- 4-20w3	2,520	Drilling; Con. C.wealth
Eastend	3,448	Mobil Wood. South. Dorrell 32-9	9-32- 6-22w3	?	Drilling; Con: Mobil
Bridge Creek	2,755	Delhi Hus. Phil. Rich. Bridge Cr. 1	11-19-11-21w3	3,976	Testing; Con: Canbridge
Tunstall	2,442	Amurex Canso Nat. Gas Tunstall 2-7	7- 9-14-28w3	.....	Location; Con: R. W'low
Bittern Lk.	2,428	Amurex Canso Bittern Lk. 5-7	7-10-14-29w3	.....	Location; Con: R. W'low
Hagel	2,512	Amurex Canso Hagel 1-10.	10-33-14-29w3	.....	Location; Con: R. W'low
Cantuar	2,458	Fargo Cantuar 9-36B	† 9-36-15-17w3	.....	Location; Con: Donnell
Fauser	2,441	Amurex Canso Fauser 1-7	7-10-15-28w3	.....	Location; Con: R. W'low
Cantuar	2,399	Mobil Wood. South. Cantuar 12-1B	† 1-12-16-17w3	.....	Location; Con: Mobil
Fox Valley	2,411	Can. Export Gas Fox Valley 13-11	13-11-19-26w3	.....	Rigging; Con: C'bridge
Dankin	2,273	Phillips Husky Dankin 1	11-20-24-24w3	.....	Repairing; Con: Husky
Greene	2,335	Husky Phillips Grattle 7-22	7-22-30-29w3	?	Drilling; Con: Husky
Glenellen	2,197	Royalite Glenellen 4-14	4-14-32-17w3	.....	Rigging; Con: Precision
Dumfernlime	1,655	Christie Mitchell Dumfernlime 13-1	†13- 1-37- 8w3	2,803	Drilling; Con: Rio-Plmr
Wauchope	2,045	McCarty & Coleman Pedersen 4-35	4-35- 7-33w1	.....	Location; Con: Cascade
Margo	1,387	Gulf Margo 8-11	8-11-33- 9w2	2,950	Drilling; Con: Gen. Pete
Preeceville	1,674	Can. Oil & Gas Res. Preece 1	4-29-34- 5w2	.....	Location; Con: Seaman
ALBERTA:					
Aden	3,294	Can. Export Path. Okalta Aden 10-20	10-20- 1-11w4	.....	Location; Con: R. E. Lee
Gem	2,598	Can. Export Ohio Midcon. Gem 6-1	6- 1-23-18w4	.....	Location; Con: Hi-Twr.
Halliday	2,596	Gulf Halliday 13-11	13-11-28-14w4	.....	Location
Drumheller	2,648	Gulf Cragg 5	5-28-29-20w4	.....	Location
Carbon	2,669	Imperial Carbon 11-19	11-19-29-23w4	.....	Rigging; Con: Parker
Joffre	2,788	Pacific Western Carlson 4-14	4-14-38-25w4	.....	Location; Con: Cascade
Red Deer	2,905	Imperial H.B. Red Deer 3-8V	3- 8-39-26w4	.....	Location
Wainwright	2,270	Amer. North. Wain. P&R 28B-9	9-20-45- 6w4	.....	Location; Con: Am. N.
"	2,281	Amer. North. Wain. P&R 27B-16	16-20-45- 6w4	.....	Location; Con: Am. N.
"	2,248	Selbay Wainwright 4A4	4- 4-46- 6w4	.....	Moving in; Con: Donnell
"	2,328	Nuco H.B. Wainwright 11B-8	6- 5-46- 6w4	.....	Location; Con: Nufield
"	2,300	Nuco Fair 6B5	11- 8-46- 6w4	.....	Location; Con: Nufield
Viking-Kin.	2,305	C. B. E. O. Maygill Viking 6-15	6-15-46- 9w4	.....	Location; Con: McL.-W.
Joarcam	2,429	Bashaw North Camrose 7-10	7-10-47-20w4	.....	Location; Con: Ozark
Lloydminster	2,162	Nuco Salt Water Disposal Well 1	3- 2-50- 1w4	.....	Location; Con: Roberts
"	2,145	Husky McLean 1	1- 7-50- 2w4	.....	Location; Con: Husky
Beaverhill Lk.	2,390	Colorado N.U.L. 6-23	6-23-52-19w4	.....	Moving in; Con: S.M.G.
Volmer	2,300	Sharples Volmer 7-19	7-19-55-25w4	.....	Location; Con: Regent
Sundre	2,591	Hudson's Bay Sundre 1-17-34-5	1-17-34- 5w5	.....	Location; Con: Br'hoff
Ferrier	....	Southern Prod. Atlantic Ferrier 1 4-27	14-27-39- 8w5	.....	Rigging; Con: Moore
Pembina	2,941	G.P. Baysel Seaboard Buck Lk. D6-22	6-32-46- 7w5	.....	Location; Con: McL.-W.
"	2,388	Can. Seaboard Buck Creek 12-5	12- 5-47- 7w5	.....	Location; Con: Cascade
"	....	Home et al Buck Creek 12-17	12-17-47- 7w5	.....	Moving in; Con: C.wlth.
"	2,839	Tennessee Buck Creek E-1	8-20-47- 7w5	.....	Location
"	2,675	Baysel G.P. Sea. Wolf Creek 12-1	12- 1-47- 8w5	.....	Location; Con: Trident
"	2,594	Baysel G.P. Sea. Wolf Creek 4-12	4-12-47- 8w5	.....	Location; Con: Trident
"	2,596	Baysel G.P. Sea. Wolf Creek 12-12	12-12-47- 8w5	.....	Location; Con: Trident
"	2,587	Mobil Seaboard Violet Grove 4-2	2- 4-48- 7w5	.....	Location; Con: G. Pete
"	2,809	Home et al Violet Grove 2-32	2-32-48- 7w5	.....	Moving in; Con: Hi-Twr
"	2,754	Home et al Violet Grove 12-32	12-32-48- 7w5	.....	Moving in; Con: Hi-Twr
"	....	Stanolind H.B. Rat Creek CR. B-3	14-27-48-10w5	.....	Location; Con: Thrnt.-B.
"	2,664	Mobil Seaboard Drayton VL. 3-14	14- 3-49- 7w5	.....	Location; Con: Cascade
"	2,735	Home et al Drayton Valley 4-5	4- 5-49- 7w5	.....	Moving in; Con: Duke
"	2,751	Home et al Drayton Valley 8-5	8- 5-49- 7w5	.....	Moving in; Con: Petrol.
"	2,878	Mobil Seaboard North Pembwina 4-14	14- 4-49- 8w5	.....	Location; Con: Cascade
"	....	Stanolind H.B. Pembina Crown J-12	6-35-49- 9w5	.....	Location
"	....	Texaco McColl Aurora A16-21	16-21-49-10w5	.....	Location; Con: Ryland
Erskine	2,682	Colorado Erskine 14-6	14- 6-39-20w4	.....	Moving in; Con: C.wlth.
Daysland	2,222	Dobry Deray Prague 1	16-18-46-13w4	.....	Location; Con: C'bridge
Pembina	2,986	Colorado Pembina 14-23	4-23-47- 7w5	.....	Moving in; Con: Gstvsn.
"	....	Home et al Violet Grove 12-31	12-31-48- 7w5	.....	Moving in; Con: Hi-Twr
BRITISH COLUMBIA:					
Fort St. John	2,146	Southern Production B-2-2	3-20-82-20w6	4,055	Drilling; Con: C.wealth
NORTHWEST TERRITORIES:					
Escarpment Lk.	....	N.W.T. Escarpment Lake 3	60° 36'05" N.Lat. 116° 13'19" W. Long.	.....	Rigging; Con: Gen. Pete

†—SW *—NE
‡—SE ¶—NW

Here's How Oil Firms Are Doing

Great Sweet Grass

Great Sweet Grass Oils is principally engaged in developing its natural gas holdings in Alberta with a view to supplying the proposed gas pipe line to Eastern Canada.

It has a stake in 30 gas wells, all of which are shut in, and in nine oil wells. Of these, four are on production and five are standing. Acreage holdings include more than 1,121,000 acres in Western Canada, Southwestern Ontario, Montana and Texas.

Early this year company took over management of Canadian Oil and Gas Reserves Ltd. and acquired a substantial block of that company's stock.

In the Steveville area of Southeastern Alberta, company has 28% interest in over 50,000 acres on which Canadian Export Gas Ltd. is carrying out a 27-well program at no cost to Sweet Grass. At Kessler, to the north, 18¾% to 50% is held in 10 gas wells and a possible oil producer. One of the gassers struck a large flow rated at an open-flow potential of more than 67 million cu. ft. daily. Nearly 60,000 acres are included in the Kessler spread.

Other oil and gas wells are located in the Princess, Namao and Jenner areas of Alberta, near Chatham, Ont. and in Texas. Exploration is being carried on in Manitoba on 800,000 acres in the Duck Mountain Reserve, in which Sweet Grass has 32½% share. An eight-well program is planned, of which the first venture was dry. A 20,000-acre tract was recently acquired in the St. Lawrence River lowlands, Que., and at least eight wells are planned here. Company has an 80% stake in this project.

Reserves of oil net to the company are estimated at approximately 70,000 bbls., while company's share of gas reserves at Steveville and Kessler are rated at 133.5 billion cu. ft. proven, semi-proven and probable.

Cash position was recently enriched by $1,375,000 through sale of 500,000 treasury shares. All of the three million shares authorized are issued.

Nuco

Nuco Petroleums owns or holds participating interests in 100 producing oil wells, chiefly in the Lloydminster field and at Leduc in Alberta. Also has a share in 85,054 acres in Western Canada.

A development program is under way in the northern sector of the Wainwright field of Alberta where the company has a 50% to 100% stake in 1,440 acres. Other drilling projects were recently completed at Marshall, Sask., and Blackfoot, Alta., in the general Lloydminster area.

Last year the assets of four companies were acquired by the company in exchange for a total of 1,084,900 Nuco shares. Companies purchased were New Devon Petroleums, Porosity Petroleums, Do-Mor Petroleums and Vanbar Oils Ltd.

Recoverable oil reserves are estimated at 7,655,857 bbls., including 968,620 bbls. of light-gravity crude.

Gross income was approximately $60,000 in January of this year, company reports. This was expected to be increased substantially through the development program which was then under way. Capitalization consists of five million no par value shares, of which 1,909,900 shares are issued.

Cdn. Brit. Empire

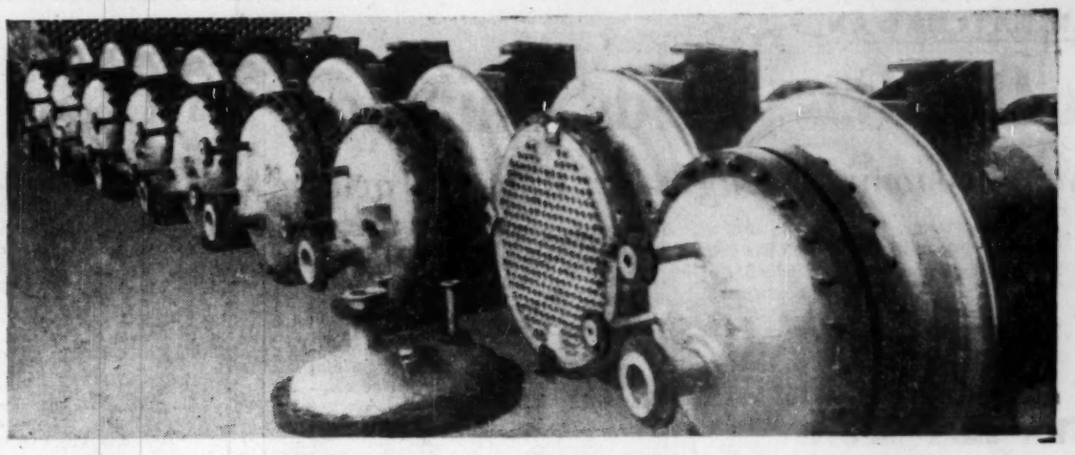
Canadian British Empire Oil Co. holds about 350,000 acres of unexplored lands in British Columbia, Alberta and Manitoba and in the Williston Basin and Mid-Continent areas of the United States, and eight producing oil wells. A wholly owned subsidiary, Arrow Drilling Co., owns and operates 18 drilling rigs in the U. S. and five in Canada.

Company plans to participate in a program of exploration and development which includes the drilling of about 15 wells in Alberta, Illinois, Kansas and Oklahoma. Recently an undivided 25% share was acquired in certain producing petroleum and natural gas properties in Garfield County, Okla., in return for 185,715 shares of company stock. A five-well program is also under way in Huron County, Southwestern Ontario, by which British Empire will earn a 50% stake in 17,000 acres.

A gas development project is being carried out in the Viking-Kensella area of Alberta under a farm-out agreement covering 58,727 acres. Company supplied full costs of drilling two wells, both of which were completed as Viking-sand gas wells, and has agreed to complete a previously drilled gas well which was standing.

Gross income for the 11 months ended Dec. 31, 1954, totalled $1,849,071, including revenue of $1,778,282 from drilling operations and production income of $50,387. After deducting $1,721,084 cost of drilling operations, other operating and administration expenses and $201,234 for leases and rights abandoned, net loss for the period was $904,727. Oil income was reported in April of this year to be running around $11,000 per month.

Authorized capital is 10 million shares, of which 5,966,311 are issued and outstanding.



Stainless steel heat exchangers for "Teepol", a detergent of the Shell Oil Company.

One Monel and one stainless steel tank for splitting and bleaching fatty acids for oil refinery.

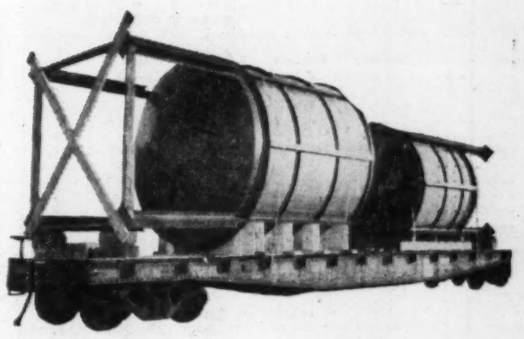
for the oil industry . . .

Character Analysis

by L'HOIR

The quality of the products produced by today's oil companies has reached a new high. The men charged with production responsibilities lean heavily on the proven advantages of stainless steel and Monel metal equipment. But these, by themselves, are no guarantee of operating satisfaction. Beyond that there must be extra integrity and performance built into the equipment after a careful analysis of the ultimate requirements.

You can rely on L'HOIR equipment to give the maximum in mechanical resistance, handsome appearance and other qualities of character, designed for your special needs by skilled engineers.



L'HOIR Inc.
LEVIS, QUEBEC

A name to know and remember for STAINLESS STEEL and NICKEL ALLOY PROCESS EQUIPMENT

Year-end report from Canadian Hydrocarbons Limited . . .

MORE PROPANE GAS PLANTS PLANNED FOR WESTERN CANADA

ULTRA-MODERN STATIONS TO SERVE SUBURBAN AND RURAL AREAS

- 29 plants for the West by the end of this year
- 19 more plants planned for 1956 — extending from North Bay to Vancouver

The following list of plant locations reflects the present and future extent of the propane organization of Canadian Hydrocarbons Limited:

MANITOBA Winnipeg, Brandon, Minnedosa, Dauphin; plants are scheduled for 1956 at Morden and The Pas.

SASKATCHEWAN Regina, Saskatoon, Moose Jaw, Swift Current, Kindersley, North Battleford, Melfort and Yorkton; plants are scheduled for 1956 at Prince Albert, Assiniboia, Carlyle.

ALBERTA Edmonton, Lloydminster, Castor, Ponoka, Camrose, Edson, High Prairie, Valleyview, Grande Prairie, Raymond, Peace River, Provost-Macklin; plants are scheduled for 1956 at Calgary, Lethbridge, Drumheller, Medicine Hat.

BRITISH COLUMBIA Quesnel, Prince George, Fort Nelson, Dawson Creek; plants are scheduled for 1956 at Nanaimo, Chilliwack, Vancouver, Kelowna, Cranbrook.

ONTARIO Fort William; plants are scheduled for 1956 at Dryden, Kenora, Long Lac, Cochrane and North Bay.

Sources of supply include most Western refineries, and recently major sources have been developed from the Province of Alberta, giving the Company a flexible, co-ordinated supply programme.

CANADIAN HYDROCARBONS LIMITED

HEAD OFFICE: NATURAL GAS BUILDING

265 NOTRE DAME AVE. WEST
WINNIPEG 2, MANITOBA

PROPANE AFFILIATES: Canadian Propane (Ontario) Limited
Canadian Propane (Man.) Limited Canadian Propane (Sask.) Limited
Canadian Propane Limited in Alberta and British Columbia

Here Are Progress Reports on General Oil and Gas Firms

Cdn. Pipelines

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Royalty income is understood to be continuing to expand primarily as a result of the substantial increase in production from the Joffre field where royalty income is secured from varying interests in 31 wells. Additional royalty has been added to holdings in the Elkton and Nevis gas areas and in Peace River. The company has been successful in negotiation of development of property interests by others. In Saskatchewan the company has a controlling interest in five mutual companies which own an interest in 1,580,015 gross acres equivalent to a net of 895,800 acres.

Balance sheet as at May 31, 1955, showed $1,059,959 current assets including $637,374 cash as against $151,955 current liabilities.

Cdn. Collieries

Canadian Collieries (Dunsmuir) was a latecomer in western oil development. But it rates as one of the most successful. Through its wholly owned subsidiary, Cancoil Oil & Gas Co., the company expects ultimate production of over 20 million bbls. of oil from interests in the Pembina field. It it reported that the company has had very substantial offers indeed for its oil interests but so far there has been no disposition to sell.

Altogether the company expects to have interests in approximately 900 producing wells. By 1957, revenues are expected to exceed cash outlays for drilling.

Last fall, Canadian Collieries purchased the assets of Flavelle Cedar Ltd., of Port Moody, B.C., which had average profits of about $1.4 millions before taxes a year over the preceding eight years. The acquisition was financed by means of a bank loan and officials reported new equity financing was not expected.

Coal producing operations have not been particularly profitable in recent years. There was a profit of $48,893 in the year ended March 31, 1955. Working capital amounted to $1,126,289 at March 31, 1955.

Petrol Oil & Gas

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Gas sales from the Ontario wells continue at record levels, and field development is being carried on with three to six wells being drilled each year. A block of leases in the Tilbury area has been acquired and a secondary recovery program is contemplated.

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Capital was increased by a million shares this year to four millions, and the million shares were sold at prices ranging from 80 cents to $1.55 a share. Cash and liquid assets are stated to be in excess of $1.4 million.

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Canadian Delhi Petroleums is a holding company which, through its wholly-owned subsidiary, Canadian Delhi Oils Ltd., will have an approximate one-third interest in Trans-Canada Pipe Lines. This company proposes to construct and operate a pipeline for the transportation of natural gas from Alberta to Eastern Canada and the United States

Canadian Delhi also holds a share in six oil and 42 gas wells in Alberta and in five oil producers in Saskatchewan, and a 50% interest in a drilling company which owns and operates three rigs. Forty of the gas wells are presently capped awaiting the opening up of a market.

Landholdings consist of 803,576 gross acres equivalent to ownership of 97,282 net acres of petroleum and natural gas leases in Alberta and 96,250 acres in Saskatchewan, and 75,086 acres of gas rights in Alberta.

At Cypress Hills in western Saskatchewan, the company is participating to the extent of 25% in an eight-well exploratory program covering 320,000 acres. Three ventures have been completed as oil producers while four holes were dry. An earlier project completed five oil wells, while nine were abandoned.

Total proved reserves of gas are estimated at more than 487 billion cu. ft., including 98 billion cu. ft. developed. Capitalization consists of 3.5 million shares of 10 cents par value; there are 3,492,928 shares outstanding, of which 2,579,394 were distributed to shareholders of Delhi Oil Corp. of Texas.

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In this district eight drilling rigs are proving up gas reserves which now total more than 1½ trillion cu. ft. At Buick Creek, about 40 miles northwest, seven large wet gas wells so far completed indicate a field at least 10 miles long and two miles in width. All these gas reserves are slated for export to the West Coast upon completion of the proposed pipeline.

Under agreements, Imperial Oil Ltd. and Southern Production Co. Inc. are to spend at least $19 million in exploring other large scattered tracts in northwestern Alberta and northeastern British Columbia. The company will share in these projects to the extent of its interests in the lands, at no cost to itself.

Authorized capital is five million shares, of which approximately 2,750,000 are issued. Pacific Petroleums holds 1,453,650 shares, and has options on 187,445 shares at $5.25 and $5.50 a share. A further 91,000 shares are to be issued to Pacific at $5.25 a share in repayment of advances made to the company by Pacific.

Security Freehold

Security Freehold Petroleums is a landholding and developing company, deriving its income from rentals on its acreage leased to other companies, from royalties on producing oil properties and from participating interests in oil production.

At June 30, 1955, company owned mineral rights underlying 282,175 acres and held varying interests in 113,837 gross acres in Alberta, Saskatchewan and Manitoba. Petroleum leases granted by the company on that date covered 28,629 acres and options to lease petroleum rights granted by the company covered 16,318 acres.

Participating and/or royalty interests are held in 13 producing oil wells in Turner Valley and in eight other wells in various areas of Alberta, as well as in six wells in the Virden-Roselea field, Man.

Total income for the fiscal year ended June 30, 1955, increased to $157,187, including $53,687 production revenue and $137,482 from petroleum leases. The increase resulted from higher bonus payments being obtained under new options and leases and from participations in additional wells successfully completed. Net profit was $24,813, compared with a loss of $34,148 in the 1953-54 fiscal year. Working capital at June 30 of this year was more than $987,000.

HERE COL. R. B. HARKNESS, right, leading authority on Ontario oil fields and former natural gas commissioner, points out North America's first oil well — the James Miller Williams well sunk 46 ft. to rock in 1857, later deepened 100 ft. Hands on hips is Ontario Mines Minister Kelly with W. Harold Rea, president of Canadian Oil Cos., third from left. Location: Lambton County village of Oil Springs.

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Authorized capital is three million shares. There are 2,124,165 shares outstanding, of which 61.6% are held by Anglo American Exploration Ltd.

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This policy resulted in a substantial increase in reserves to an estimated 4,683,700 bbls. proven and 4,476,000 bbls. semi-proven, while maintaining the working capital position at $758,880.

An interest is now held in 29 producing oil wells in Saskatchewan, Alberta and Manitoba, equivalent to 14.935 owned wells. Sixteen of the wells were successfully completed during the 1954-55 fiscal year. Company also has 31 drilling locations offsetting production.

Of five wildcats participated in, one discovered light oil in the Lampman area of Southeastern Saskatchewan and another struck oil of medium gravity at Gull Lake in the southwestern sector of the province. Company's operations are now concentrated in the Williston Basin area of Saskatchewan, Manitoba, North and South Dakota and Montana. Most of the acreage and production of a wholly-owned subsidiary which was not situated in the Williston Basin area was sold or dropped.

A 6¼% interest is held in the Westspur Pipeline Co., which proposes to construct a crude oil pipe line from the Midale field in Saskatchewan to Cromer, Man. Completion of the line will result in a higher wellhead price for all of the company's production in Southeastern Saskatchewan.

Production revenue for the 14 months ended July 31, 1955, amounted to $176,826, while sundry income totaled $24,787.

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In British Columbia, Gulf States Oil Co. agreed to survey and explore more than one million acres of company lands in return for a half interest therein. The arrangement called for expenditure by Gulf States of $1.5 millions by June of this year. Three wells were drilled and abandoned, and one was capped as a gas well.

Company's obligations on a further two million acres were assumed by El Paso Natural Gas Co., with Fargo retaining a carried net interest of 50% of its previous stake. El Paso will explore the lands at no cost to Fargo. An 18¾% share is held in four gas wells completed on 400,000 acres in the Blueberry area. One well rated a potential flow of more than 13 million cu. ft. of gas daily and returned distillate at a rate of 35 bbls. per million cu. ft.

Oil reserves are estimated at approximately 5.3 million bbls. of heavy oil and 230,325 bbls. of light crude. Company's production averaged 1,975 bbls. per day in May of this year.

Crude oil sales amounted to $1,200,296 in the year ended Dec. 31, 1954. After all charges and write-offs, net loss for the year was $113,931. Authorized capital comprises six million ordinary common shares and three million shares of class B management stock. There are 4,169,945 ordinary common and 700,000 class B shares outstanding. Majority of the class B stock is held by General American Oil Co. of Texas.

Bata

Bata Petroleums is interested in the production of crude oil, natural gas, salt and potash, chiefly in Saskatchewan.

It supplies a wholly-owned subsidiary, Unity Gas Supply Co. Ltd., with natural gas required for the town of Unity, Sask., including an electrical power plant of the Sask. Power Corp., which supplies electricity to a large portion of west central Saskatchewan.

Also provides gas to another subsidiary, Associated Development Co. Ltd., for all requirements of a salt company at Unity, and has a contract to supply natural gas to Western Potash Corp.

Company has interests in five producing and two capped gas wells in the Unity field and is carrying out a 10-year development program there. Other interests include two gassers at Vera and a producing oil well at Marsden, Sask., and 12 oil producers at West Drumheller and two at Malmo, Alta.

Gross income for the 16 months ended July 31, 1955, was $205,581, including revenue of $184,201 from sales of oil and natural gas. After deducting royalties, operating and administrative expenses, depreciation, depletion and amortization, net profit for the period was $79,690.

Pan Western

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Oil interests include 100% in five wells at Leduc, subject to the payment to Imperial Oil Ltd. of 8,000 bbls. from 10% of production of each well, and 50% in three at Stony Plain and in five at Baxter Lake, Alta. All the gas wells are located in the Pouce Coupe area of Northwestern Alberta and are capped awaiting completion of the proposed pipeline to the West Coast.

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Oil reserves are estimated at 984,723 bbls., while reserves of natural gas are calculated at nine billion cu. ft.

Total sales for the eight months ended Aug. 31, 1954 were $175,553, compared with $261,957 for the full year 1953. Authorized capital is eight million shares, of which 3,899,030 are issued.

Western Leaseholds

Operating control of this large Western Canada producer was acquired last summer by Canadian Petrofina Ltd., the Belgian company which has been active in building up refining-marketing facilities in Eastern Canada and expanding western producing interests.

Western Leaseholds has shown a marked improvement in results this last year, reflecting substantially greater oil production. Net profit amounted to $1,027,304 or 15c a share for the year ended Sept. 30, 1954, as against only $503,798 or 7c a share for the immediately preceding nine months. Oil sales rose to $5,438,716 from $3,353,598 in the nine-month period.

A share exchange offer of three shares of the 6% participating noncumulative Canadian Petrofina preferred stock was made for each 10 shares of Western Leaseholds shares at the time Canadian Petrofina acquired control.

Financial position showed an improvement of almost a million dollars in the year ended Sept. 30, 1954, with excess current liabilities over current asets reduced to $540,036

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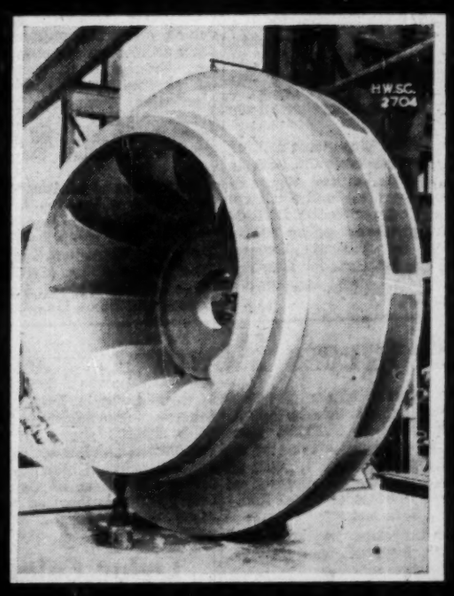

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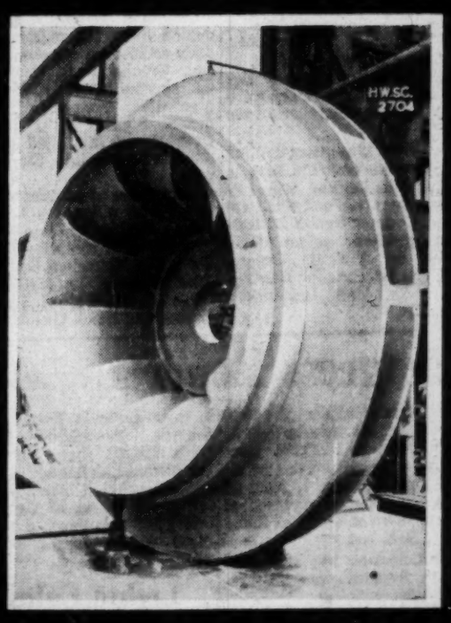

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Day of Frozen Assets In Gas May Now Be Drawing to Close

In all the long history of Canadian resource development, western natural gas has probably set something of a record for frustrating and expensive delays compounded with complex problems.

But the day of the difficulties, the worries, the suspense—yes, and the frozen assets—may be drawing to a close. With the Westcoast and Trans-Canada major gas marketing proposals only waiting on necessary FPC approval, the big hurdles have possibly been taken.

Looking back at what's happened, a western petroleum executive recently made this statement:

"Most of the 'would-be' producers of natural gas in Western Canada have developed a feeling somewhat like the young lady who was 'always a bridesmaid but never a bride.' "

When gas was first discovered in really large quantities in the Canadian west, plans for tapping large markets in the U. S. and eastern Canada first bumped into the question of whether western reserves were going to be big enough for western needs. No similar question had been raised with respect to oil but until Alberta was assured that a 30-year supply of gas was available for its anticipated needs, gas export proposals were largely stalled.

In December, 1953, Alberta gave the "green light" on export. It was stated that at June 30, 1953, Alberta gas reserves had reached 11.5 trillion cu. ft. and that an increase of from 1¼ trillion to 1.5 trillion cu. ft. could be expected in the following 10-year period. As Alberta 30-year requirements were placed at 4.45 trillion cu. ft., it was estimated that 5.0 trillion cu. ft. of gas could be made available for eastern export by the time a pipeline could be completed.

Westcoast Transmission had previously secured permission for export of gas from Peace River.

Future Plans

Hopes that a start on an Eastern Canada pipeline could be made in 1954 or 1955 fell by the wayside. But progress was made. Trans-Canada emerged as the vehicle for Eastern Canada gas marketing. Now emerged new problems: economics.

Rethinking was found necessary if the proposal for eastern marketing was to be a sound one.

There emerged two new problems.

The desired all-Canadian route north of Lake Superior included a "dead heart" portion. Trans-Canada wanted a government bond guarantee to assist it. And the Federal Government was allergic to any such guarantee. This log-jam was broken when the Federal Government and Ontario agreed to get together on building of the portion which would be uneconomic in the near term.

The other problem was the price to be paid for gas. Alberta interests with large gas resources declared that prices offered by Trans-Canada were uneconomic and they were backed up by the Canadian Petroleum Association. But this problem too was finally solved by negotiations when Canadian Gulf finally made a gas sales agreement with Trans-Canada covering the key Pincher Creek field.

Resource Picture

Let's take a look now at where western gas resources stand and what the go-ahead on gas projects is going to mean.

First of all, Western Canada's gas resources continue to grow at a great rate. From the 11.5 trillion cu. ft. of gas estimated by the Petroleum & Natural Gas Conservation Board for June 30, 1953, gas reserves had grown to 15.6 trillion cu. ft. by June 30, 1955. Thus gas reserves have been rising at a rate faster than that anticipated by the Alberta Government.

Trans-Canada has received the right to secure delivery of 620 million cu. ft. of gas a day—a figure 80 million cu. ft. in excess of the original amount approved—and has entered into a contract with Tennessee Gas Transmission Co. to sell 200 million cu. ft. of natural gas daily with delivery at the international boundary near Emerson, Man. The contract with TGT, which requires FPC approval, also provides an option for sale of an additional 200 million cu. ft. which would assist in marketing Alberta's growing gas surplus.

As entire known gas reserves of Western Canada are now placed at over 21 trillion cu. ft., the supply awaiting markets is very great.

An actual start on the Trans-Canada and Westcoast lines will undoubtedly mean a very substantial expenditure at the well head. Drilling so far has been largely for the purposes of putting gas reserves in sight not for the drilling of sufficient wells to assure deliverability of required gas supplies.

It is estimated that $150 million must be spent in drilling and completion of additional wells, installing of well equipment and field gathering systems, the building of the necessary processing plants and the gathering within the province of the volume of gas required to meet the Trans-Canada commitment alone.

Similar considerations hold for the Westcoast line. It is expected up to 300 million cu. ft. a day will be exported via Westcoast.

Most of the producers signing up in the export area of Southern Alberta for gas sale to Trans-Canada will get a starting price of about 10 cents per thousand cubic feet of gas. The largest contract is with Canadian Gulf Oil (subsidiary of Gulf Oil) and embraces sale of 1.3 trillion cu. ft. of gas at an unrevealed price. Contract calls for purchase by Trans-Canada of a minimum of 100 million cu. ft. of gas daily during the first year and a minimum of 170 million cu. ft. daily each year for balance of the 25-year contract.

Contracts signed earlier involved over 135 million cu. ft. daily so that by the end of October, Trans-Canada had signed up approximately 60% of the pipe line company's requirements. Signing up of the Gulf contract was expected to bring other holdouts into the contract fold.

Companies in addition to Canadian Gulf which are known to have signed up for sale of gas to Trans-Canada comprise Canadian Delhi Oils, Canadian Export Gas, West Maygill Gas & Oil, Great Sweet Grass, Western Petroleum Leases and Flock Gas & Oil.

Matching Growth in Demand Only Worry in Oil's Future

The chance that there may not be enough oil to meet all demands is the only uncertainty in the oil industry's future. Exhaustive studies, keeping in mind that new forms of energy are nudging into the field, have convinced the industry's leading economists that in 50 years' time the world will be using three times as much oil as now.

That means that between now and 2000 A.D. the world will use one and a half times the total oil discovered to date. But the big companies are sure that new discoveries of oil will more than fill the gap.

For Canada, the forward look is particularly cheerful. Her daily productive capacity is well over 600,000 bbls. of which current markets absorb only around 340,000 bbls. daily. The discovery a couple of years ago of the huge Pembina field which could prove to be North America's largest, is an example of the finds that may still be made.

Based on the records of other important oil producing nations, the likelihood is that many times the presently known quantity of oil has yet to be located here. Reserve estimates for the next 90 years have put the figure as high as 20 billion bbls. Present proved reserves are just over 2½ billion bbls.

What Lies Ahead

One of the foremost oil economists in the U. S. recently scanned the picture for 2000 A.D. After more than 40 years' experience in the oil industry these are the main points he saw:

—Use of energy will double in the next 25 years, double again between 1980 and 2000.

—Atomic energy may be supplying about a quarter of the world's needs by 2000 and may soften demand for fuel oils and diesel fuel for generating electricity, home heating and railroads.

—Oil will concentrate on fields where it has special advantages like automotive fuels, lubricants, petrochemicals and asphalt.

—Oil imports to the U. S., which consumes three fifths of all oil produced in the world, will increase.

The oil industry is in a greatly expanding energy market. According to the experts' projections, the world will be using four times as much energy in 2000 as now. Oil demand has been rising a little more than 4% a year since 1900 and, at present, is over 14 million bbls. a day.

If world demand for oil kept going up at that rate, it would hit 90 million bbls. a day by 2000—more than six times the current figure. But it won't. And the major reason why not is because people will be getting more out of oil products.

Gasoline gives an example of what's to come. Today, a gallon of gasoline gives half again as much useful energy as it did 30 years ago. Similar progress has been made with certain other oil products. Research efforts in this direction are now greater than they have ever been, and the possibilities of the better products trend is reflected in future business.

Nor does the oil industry fear the impact of atomic energy and even the possibility of solar energy (especially for home heating) and tidal energy. Atomic energy looks like the most important new source but it may turn out to be as much a partner as a competitor to oil. Without it, oil will not be able to cope with the huge upsurge expected in the use of energy.

But at the best, it will be several decades before atomic energy becomes a major factor in the field. It takes a long time for a sizeable switch to be made from one source of energy to another.

Atomic energy may open up brand new fields for industry which in turn will need more oil products.

Studies of future developments suggest that total world oil demand at the end of this century will be somewhere around 40 to 45 million bbls. a day. It is going to be a tremendous job to meet that demand and the biggest problem of all will be in getting enough crude oil. Between now and 2000, the world will use in the region of 415 billion bbls. of crude.

The U. S. Needs

However, geologists are optimistic that some areas have not yet been adequately explored and that some of the biggest finds have yet to come. Some of them may be in the U. S. where offshore oil developments could become a major factor, but most are expected to take place elsewhere.

In the U. S., exploration for oil looks as if it is approaching a point of diminishing returns. Between 1937 and 1939, only 10% of all footage drilled in the U. S. was for exploratory wells, but industry was finding 2.4 bbls. of new oil for every bbl. taken out. But between 1953 and 1955, 30% of all drilling was exploratory, and only 1.3 bbls. were added to reserves for every single bbl. produced.

The answer to that trend for the U. S. seems to lie in imports. Products can be made from that country's huge reserves of oil shale and low-grade soft coal but the cost of processing these materials cannot compete with crude oil. It looks as though the U. S. will need growing supplies of oil from abroad. That country, with only a fifth of the world's proved oil reserves, is consuming its own oil supply four times as fast as the rest of the world.

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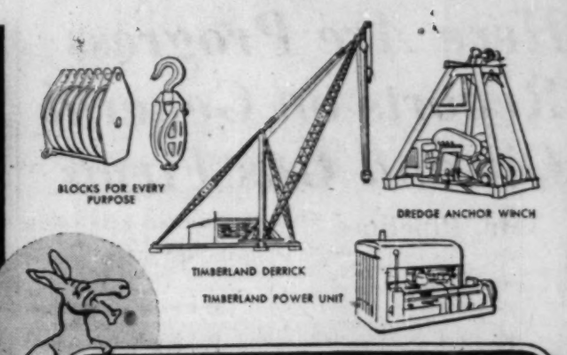

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Pace of the Oil Search Still Gains Momentum

Alberta still leads all others in Western Canada oil activities.

A November survey showed that of 245 active rigs in Alberta, Saskatchewan, British Columbia and Manitoba, no less than 176 or 71.8% were operating in Alberta.

The survey also showed a recent pickup of exploratory activity in Alberta, with the industry preparing for its usual winter exploratory operations in the more northerly reaches.

While geophysical activity in 1955 only held close to the previous year's level, actual drilling is believed to have smashed all previous records.

In the first seven months of 1955, 5,221,339 ft.—almost 1,000 miles—of drill holes were completed. This represented an increase of almost 47% over the corresponding period of the previous year. A startling 891,459 ft. of drilling—almost double 1954—was reported for July alone.

The drilling industry, which had found the going rather tough the two previous years, has found unprecedented demand for their services recently.

Exploratory drilling was partially responsible for the larger activity in 1955 but development drilling in established oil areas was probably the main factor. Drilling for gas has assumed considerable importance in recent years and can't be ignored in assessing the over-all drilling picture.

The Pembina field undoubtedly enjoyed the biggest single concentration of drilling activity in 1955. As it is perhaps only 25% "drilled out" at this time, this great field underwrites a high level of drilling activity for probably the next few years in Western Canada, irrespective of other developments.

Comparable figures on wells capable of being operated in a number of fields give an idea of some of the well-drilling accomplishments this year:

	—November 1—	
	1955	1954
Pembina	670	36
Joffre	158	51
Sturgeon Lake	44	14
Erskine	43	27
Bonnie Glen	144	126
Battle	31	8
Wainwright	50	28
Fenn-Big Valley	306	266
Lloydminster	390	372
West Drumheller	75	63
Sundre	8	..
Rocky Mountain House	8	..
Westward Ho	7	..
Fairydell	26	12
Hamilton Lake	29	20
Chauvin South	6	..
Glenevis	5	..
Rimbey	15	11
Little Smoky	3	..

As wells in the Pembina area average over a mile in depth each, something over 600 miles of drilling has been done in the Pembina region alone over the period of a year. Practically all of this drilling has actually been done in 1955. Oil well drilling in the Pembina area requires building of roads and other preparatory work, "sand fracing" wells, and the equipping of wells with pumps, gathering lines, etc. The over-all expenditure in Pembina this year could hardly be termed other than "monumental."

More than 100 miles of gathering lines have already been laid by Pembina Pipe Line Co. and eventually the gathering system will run to 500 miles or more, it is expected, and handle possibly in excess of 150,000 bbls. per day.

Next to Pembina, the foothills belt and adjacent ground has probably received the greatest attention in the Alberta oil exploration play. The Sundre-Westward Ho discoveries have helped focus interest in this section which gave Western Canada its first great oil field, Turner Valley.

Of the 176 drill rigs which were active in Alberta in November, 116 rigs were active on field or development wells while 60 rigs were engaged in exploratory work for new field or extensions of old ones.

No less than 33 contract drilling companies were active in Alberta while Imperial Oil had five of its own rigs operating and Shell Oil had one. Commonwealth Drilling Co. was the most active driller followed by Trident, General Petroleums of Canada, Can-Tex Drilling Co. and Brinkerhoff Drilling Co.

Oil Co. Progress Reports

Canso Oil

Canso Oil Producers is the crude oil producing entity of the three companies into which Canada Southern was split in April, 1954.

Development work with two rigs has been reported.

Coleville interests of the company were sold for $4 millions in July, 1954. Such interests included a 50% share in 93 heavy gravity oil wells. Earlier this year, Canso Oil was reported with 40 light oil wells and three heavy crude wells.

Current assets on formation of the company were approximately the same as current liabilities which comprised bank production loans. The company also had a liability with respect to the remaining $3,739,000 of bonds of the predecessor company. However, sale of Coleville assets improved the liquid position of the company.

Can. South. Pete.

Canada Southern Petroleums reports ownership of 3,717,061 gross acres equivalent to 100% stake in nearly 1,700,000 acres. The company is primarily interested in exploration rather than production. Balance sheet as at Dec. 31, 1954, showed consolidated current assets of $1,840,721 against $764,201 current liabilities.

The company rates as the largest independent holder of petroleum rights in Northeastern B. C., with interests in 3,286,194 acres for a net acreage interest of 1,536,517 acres at June 1, 1955. Of this 229,685 net acres represented a carried interest. Gas was found in a first B. C. test.

A participation has also been taken in Saskatchewan exploration and development.

A 50% interest in Prince Albert Refineries was sold late in 1954.

Phillips Oil

Phillips Oil Co. has leases and interests in leases, reservations and permits in Alberta, Saskatchewan and Manitoba, and royalty and/or share holdings in producing wells and other oil development companies.

The company and Canada Oil Lands Ltd. farmed out 100,000 acres in the Spirit River area of Northwestern Alberta to Banff Oil, which earned a 25% net interest therein by putting up 50% of the costs of a wildcat well. The venture was completed in the Cretaceous zone as a potential gas producer. A second hole about 8½ miles to the west struck light oil in the Triassic zone and rated an initial potential of 70 bbls. per day.

Some oil production is obtained through an approximate 25% share in two and royalty interests in three wells in Turner Valley, Alberta. In addition, Phillips holds 226,800 shares of Calalta Petroleums and has 200,000 shares and subscription warrants covering 25,320 shares of Canada Oil Lands Ltd. Authorized capital is three million shares, of which 1,100,010 are issued.

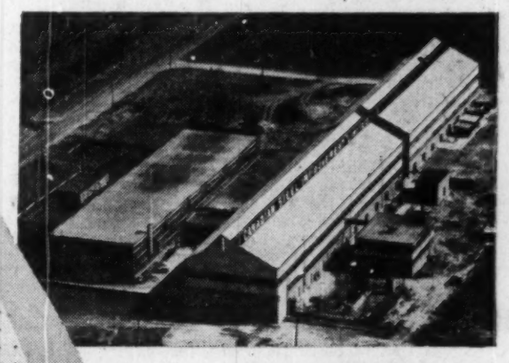
Leduc Calmar

Leduc Calmar Oil Co. holds varying interests from 10% to 50% in 13 producing oil wells in Alberta's Leduc field. It also has a stake in approximately 132,000 acres of undeveloped lands in a number of areas in the province.

At Oliver Lake the company has a commercial gas well on a 7,000-acre farmout from Imperial Oil Ltd. Of three other wells drilled on the tract, two were dry but one returned a flow of gas at a rate of two million cu. ft. daily. However, the gas sands were deemed to be too tight for commercial production.

Mining interests comprise an eight-claim uranium prospect in the Beaverlodge district of Northern Saskatchewan. Preliminary development work is planned.

Gross income for the fiscal year ended Feb. 28, 1955, was $129,122. Net profit after all expenses and write-offs was $62,975. There are 4,214,050 shares outstanding out of five million authorized.



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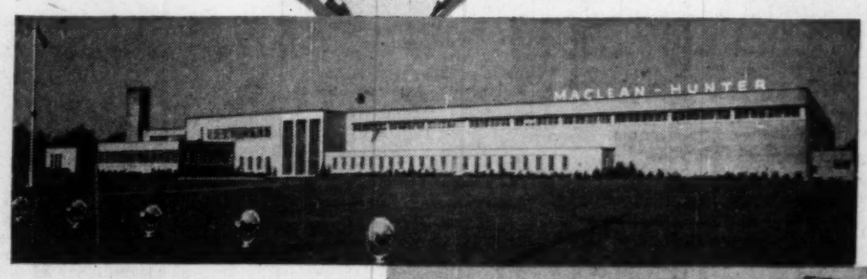

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